(This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus)

No.: DMIFIN/CP/24-25/07 Date: July 08, 2024
Addressed to:

KEY INFORMATION DOCUMENT

by

DMI FINANCE PRIVATE LIMITED

(A private limited company incorporated under the Companies Act, 1956 and continues to exist under the Companies Act, 2013)

Corporate Identification Number (CIN): U64990DL2008PTC182749 **Permanent Account Number (PAN):** AACCD9708K **Date of Incorporation:** 2 September 2008 **Place of Incorporation:** Delhi, India **Registration/identification number issued by the relevant regulator:** N-14.03176 **Website:** www.dmifinance.in	**Registered Office:** Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Central Delhi, New Delhi, Delhi, India, 110002 **Corporate Office:** Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Central Delhi, New Delhi, Delhi, India, 110002 **Telephone No.:** +91 11 4120 4400 **Email:** compliance@dmifinance.in
Key Information Document for issuance of Commercial Papers, up to an aggregate face value of INR 150,00,00,000.00 Crores (Indian Rupees One Hundred Fifty Crores only) and aggregate discounted value of INR 147,75,57,000.00 (Indian Rupees One Hundred Forty Seven Crores Seventy Five Lakhs Fifty Seven Thousand only), having a face value of INR 5,00,000.00 (Indian Rupees Five Lakhs only) and discounted value of INR 4,92,519.00 each (Indian Rupees Four Lakhs Ninety Two Thousand Five Hundred Nineteen only), with the maturity of not more than one year ("Issue").	

BACKGROUND

This Key Information Document is related to the Commercial Papers to be issued by DMI Finance Private Limited (the **"Issuer" or "Company"**) contains information and disclosures supplemental to those set out in the General Information Document dated November 16, 2023 and as amended by addendum to General Information Document dated December 14, 2023 (hereinafter this collectively referred to as the "**GID**"). The issue of the Commercial Papers under this Key Information Document has been authorised by the Issuer through the special resolution, dated March 01, 2024, of the shareholders of the Issuer pursuant to Sections 180(1)(c) of the Companies Act, 2013, along with the corporate authorizations dated May 16, 2024 of the board of directors of the Issuer, and the memorandum of association and articles of association of the Issuer.

Pursuant to the corporate authorizations dated May 16, 2024, the Issuer is authorized to issue Commercial Papers from time-to-time up to an aggregate amount of up to INR 3000.00 Crores (INR Three Thousand Crores only) in denomination of INR 5,00,000.00 (INR Five Lakhs) or its multiples, in one or more tranches, with the maturity of not more than (1) one year. The present issue of Commercial Papers in terms of this Key Information Document is within the overall powers of the Board as per the above corporate authorisations.

Issuer's Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

DISCLAIMERS

(This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus)

- Various disclosures set out in this Key Information Document have been linked to the disclosures set out in the General Information Memorandum. There are no changes to the disclosures which have been linked to the disclosures set out in GID, and in the case of any conflict/difference/variations between the provisions of the GID and this Key Information Document, the provisions of this Key Information Document shall be applicable to this issuance of Commercial Papers.

SECTION 1: DETAILS OF ISSUER AND CURRENT TRANCHE

The Issuer for the purpose of issuance of Commercial Papers hereby discloses the followings:

i. **Details of Current Tranche:**

ISIN	Amount (INR)	Proposed Date of Issue	Coupon/Discount Rate	Maturity Date	Current Credit Rating	Date of Issue of Credit Rating	Validity Period of Rating	Credit Rating Agency	Declaration Stating Valid Rating
INE604O14098	Aggregate amount of INR 150,00,00,000.00 (Indian Rupees One Hundred Fifty Crores only)	July 10, 2024	8.8000%, FIMMDA Convention	September 11, 2024	[ICRA] A1+	June 26, 2024	12 Months	ICRA Limited	The Issuer confirms that the credit rating of ICRA A1+ revalidated on June 26, 2024 by ICRA Limited will remain valid on date of issuance and listing of the commercial paper.

ii. **Name and Address of Issuer**: DMI FINANCE PRIVATE LIMITED, Express Building, Third Floor, 9-10, ITO, Bahadur Shah Zafar Marg, New Delhi – 110002.

iii. **LINE OF BUSINESS**: NON-BANKING FINANCIAL COMPANY (NBFC)

iv. **CHIEF EXECUTIVE (MANAGING DIRECTOR / PRESIDENT/ CEO / CFO/ TOPMOST EXECUTIVE)**: MR. YUVRAJA CHANAKYA SINGH- JMD, MR. SHIVASHISH CHATTERJEE- JMD, MR JATINDER PAL SINGH BHASIN – (Interim) CFO & CCO (INTERIM).

v. **Issuing and Paying Agent (Name and Address)**: HDFC BANK LTD, I THINK TECHNO CAMPUS, BUILDING

ALPHA, NEXT TO KANJUR MARG, RAILWAY STATION (EAST), MUMBAI (EAST), 400042

vi. **Market Conventions**: FIMMDA CONVENTIONS

vii. **Conditions (if any)**: Not applicable

SECTION 2: DETAILS RELATED TO COMMERCIAL PAPERS

i. **Commercial Papers borrowing limit**: WITHIN THE OVERALL BORROWING LIMIT OF THE COMPANY (PRESENTLY UPTO INR 3000 CRORES IN DENOMINATION OF INR 5,00,000 OR ITS MULTIPLES)

ii. **Supporting Board Resolution for Commercial Papers borrowing**: Board resolutions dated May 16, 2024, with respect to the issuance of Commercial Papers from time-to-time.

Series	Issue Amount	Amount Outstanding	Date of Allotment	Date of Maturity	Credit Rating	Secured/ Unsecured	Details of Issuing and Paying Agent
DMIFIN /CP/23-24/01	INR 25,00,00,000 (INR Twenty-Five Crores)	NIL	October 20, 2023	December 22, 2023	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/23-24/02	INR 50,00,00,000 (INR Fifty Crores)	NIL	December 19, 2023	March 19, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/23-24/03	INR 130,00,00,000 (INR One Hundred and Thirty Crores)	NIL	January 10, 2024	March 27, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/23-24/04	INR 50,00,00,000 (INR Fifty Crores)	NIL	January 23, 2024	March 27, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/23-24/05	INR 25,00,00,000 (INR Twenty Five Crores)	NIL	March 28, 2024	June 14, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/24-25/01	INR 55,00,00,000 (INR Fifty	NIL	April 08, 2024	June 27, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station

	Five Crores)						(East), Mumbai (East), 400042
DMIFIN /CP/24-25/02	INR 150,00,00,000 (INR One Hundred Fifty Crores)	NIL	April 10, 2024	June 27, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/24-25/03	INR 25,00,00,000 (INR Twenty Five Crores)	NIL	April 15, 2024	June 27, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/24-25/04	INR 20,00,00,000 (INR Twenty Crores)	INR 20,00,00,000 (INR Twenty Crores)	May 02, 2024	October 08, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/24-25/05	INR 50,00,00,000.00 (Indian Rupees Fifty Crores only)	INR 50,00,00,000.00 (Indian Rupees Fifty Crores only)	June 18, 2024	September 27, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042
DMIFIN /CP/24-25/06	INR 25,00,00,000.00 (Indian Rupees Twenty Five Crores only)	INR 25,00,00,000.00 (Indian Rupees Twenty Five Crores only)	June 28, 2024	October 10, 2024	ICRA A1+	Unsecured	HDFC Bank Ltd, I Think Techno Campus, Building – Alpha, Next to Kanjur Marg, Railway Station (East), Mumbai (East), 400042

SECTION 3: END USE OF FUNDS

i. End Use of Funds: Working capital requirements, administrative expenses, and creation of assets.

SECTION 4: CREDIT SUPPORT/ENHANCEMENT

i. Credit support/ enhancement (if any): NA
ii. Details of instrument, amount, guarantor company: NA
iii. Copy of the executed guarantee: NA
iv. Net worth of the guarantor company: NA
v. Names of companies to which guarantor has issued similar guarantee: NA
vi. Extent of the guarantee offered by the guarantor company: NA
vii. Conditions under which the guarantee will be invoked: NA

(This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus)

JATINDER BHASIN

Digitally signed by JATINDER BHASIN
Date: 2024.07.08 16:33:41 +05'30'

AUTHORISED SIGNATORY OF THE ISSUER: Jatinder Bhasin

DATE: July 08, 2024

FOR DMI FINANCE PRIVATE LIMITED

ORIGINAL / AUTHENTICATED COPY OF ANY DOCUMENT RELATED TO ABOVE INFORMATION WILL BE MADE AVAILABLE TO THE INVESTORS ON REQUEST

Reference No.: 01/2023/NCD

Date: November 16, 2023

GENERAL INFORMATION DOCUMENT
(FOR PRIVATE PLACEMENT)

by

DMI FINANCE PRIVATE LIMITED

A private limited company incorporated under the Companies Act, 1956

Corporate Identification Number (CIN): U64990DL2008PTC182749 **Permanent Account Number (PAN):** AACCD9708K **Date of Incorporation:** 2 September 2008 **Place of Incorporation:** Delhi, India **Registration/identification number issued by the relevant regulator:** N-14.03176 **Website:** www.dmifinance.in	**Registered Office:** Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Central Delhi, New Delhi, Delhi, India, 110002 **Corporate Office:** Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Central Delhi, New Delhi, Delhi, India, 110002 **Telephone No.:** +91 11 4120 4400 **Email:** compliance@dmifinance.in

General information document for issue of non-convertible debentures (including (i) senior secured, (ii) unsecured, (iii) subordinated, (iv) senior unsecured, (v) market linked debentures, (vi) non-convertible debentures to be issued or redeemed at a premium/discount, and/or (vii) any others (as may be determined)) in one or more tranches/series (each such tranche shall hereinafter be referred as "Debentures" or "NCDs") on a private placement basis (the "Issue"). Certain details of the Debentures are as follows:

(a) **Details of Issue**: The issue size and the nature, number, price and amount of Debentures offered shall be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **Rating**: The details of the rating, the rating letter, the rating rationale and the press release shall be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **Listing**: The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) of the BSE Limited within the time period prescribed under the SEBI Listing Timelines Requirements (as defined below).

(d) **Eligible Investors**: As set out in Section 9.15 of the General Information Document read with the Key Information Document for the relevant issuance of Debentures.

(e) **Coupon related details**: To be set out in the Key Information Document for the relevant issuance of Debentures. Please also refer Section 8.1 (*Summary Terms*) of the Key Information Document for the relevant issuance of Debentures for details about coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount.

(f) **Underwriting**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(g) **Details of Electronic Book Mechanism**: To be set out in the Key Information Document for the relevant issuance of Debentures.

ISSUE SCHEDULE

Issue Opening Date	Issue Closing Date	Date of earliest closing of the issue, if any	Deemed Date of Allotment
To be set out in the Key Information Document for the relevant issuance of Debentures.	To be set out in the Key Information Document for the relevant issuance of Debentures.	To be set out in the Key Information Document for the relevant issuance of Debentures.	To be set out in the Key Information Document for the relevant issuance of Debentures.

KEY OFFICERS OF THE ISSUER

Compliance Officer	Company Secretary	Chief Financial Officer	Promoters
Jatinder Bhasin **Tel**: 011 4120 4444 **Email**: jatinder.bhasin@dmifinance.in	**Shilpi Varshney** **Tel**: 011 4120 4444 **Email**: shilpi.varshney@dmifinance.in	**Mr. Vivek Wadhera** **Tel**: +91 11 4120 4444 **Email**: vivek.wadhera@dmifinance.in	**DMI Limited** **Tel**: +230 404 8000 **Email**: mitcobu6@mitcoworld.com

DETAILS OF STAKEHOLDERS

Debenture Trustee	Registrar and Transfer Agent	Credit Rating Agency	Statutory Auditors
The name, logo, telephone number, address, contact person, e-mail ID and website of the debenture trustee for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.	The name, logo, telephone number, fax number, address, contact person, e-mail ID and website of the registrar and transfer agent for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.	The name, logo, telephone number, address, contact person, e-mail ID and website of the debenture trustee for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.	S.N. Dhawan & CO LLP Chartered Accountants S.N. Dhawan & Co LLP Address: 421, II Floor, Udyog Vihar Phase IV, Gurugram, Haryana 122016, India Tel: +91 124 481 4444 Contact Person: Mr. Vinesh Jain Email:vinesh.jain@sndhawan.com Website: https://www.mazars.co.in/

BACKGROUND

This General Information Document is related to all tranches/series of Debentures to be issued by DMI Finance Private Limited (the "**Issuer**" or "**Company**") on a private placement basis during the validity period of this General Information Document and contains relevant information and disclosures required in accordance with the Debt Listing Regulations. The issue of the Debentures comprised in the Issue and described under this General Information Document has been/shall be authorised by the Issuer through resolutions passed by the shareholders of the Issuer on the date(s) set out in the Key Information Document for the relevant issuance of Debentures and the Board of Directors of the Issuer on the date(s) set out in the Key Information Document for the relevant issuance of Debentures read with the resolution passed by the Borrowing Committee of the Board of Directors on the date(s) set out in the Key Information Document for the relevant issuance of Debentures and the Memorandum and Articles of Association of the Company.

ISSUER'S ABSOLUTE RESPONSIBILITY
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this General Information Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this General Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this General Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

DISCLAIMER

- This General Information Document contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this General Information Document, such statements shall be considered to be null and void.

- This General Information Document does not include any statement purporting to be made by an expert other than if the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given their written consent to this issue of this General Information Document and has not withdrawn such consent before the delivery of a copy of this General Information Document to the Registrar (as applicable) for registration.

- The provisions of this General Information Document apply to each issuance of a tranche/series of Debentures issued pursuant to this General Information Document during the validity period of this General Information Document and the Key Information Document for the relevant issuance of Debentures, and all references and provisions set out below shall be construed and interpreted accordingly.

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Capitalised terms used herein and not defined shall have the meanings given to them in the Transaction Documents. Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this General Information Document.

Act/Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes Indian Accounting Standards (IND-AS).
Applicant	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, a person who has submitted a completed Application Form to the Issuer, and "Applicants" shall be construed accordingly.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the application form for subscription of the Debentures annexed to Key Information Document for the relevant issuance of Debentures.
Application Money	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
Beneficial Owners	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners, and "Beneficial Owner" shall be construed accordingly.
Board / Board of Directors	means the Board of Directors of the Issuer.
BSE	means BSE Limited
Business Day	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures: (a) subject to (b) and (c) below, means any day on which commercial banks at the location set out in the relevant Key Information Document are open for business; (b) for the period commencing on the Issue Opening Date until the Issue Closing Date, any day (other than a Saturday, Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881), on which commercial banks at the location set out in the relevant Key Information Document are open for business; and (c) for the period commencing on the Issue Closing Date until the listing of the Debentures in accordance with this Deed, any trading day of BSE, other than a Saturday, Sunday or a bank

	holiday, as specified by SEBI, and "Business Days" shall be construed accordingly
CDSL	Central Depository Services (India) Limited.
CERSAI	means Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Company/Issuer/DMI Finance	means DMI Finance Private Limited.
Conditions Precedent	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the conditions precedent set out under the Key Information Document for the relevant issuance of Debentures.
Conditions Subsequent	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the conditions subsequent set out under the Key Information Document for the relevant issuance of Debentures.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Crore / Cr. / Crs.	Ten Million
Debentures/NCDs	means any tranche/series of rated, listed, taxable, redeemable, transferable, non-convertible debentures denominated in INR, having such face value as may be set out in the Key Information Document for the relevant issuance of Debentures and an aggregate face value as may be set out in the Key Information Document for the relevant issuance of Debentures issued under this General Information Document.
Debenture Holders/ Investors	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. (a) and (b) above shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository(ies) from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail, and "Debenture Holder" or "Investor" shall be construed accordingly.
Debenture Trustee	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the debenture trustee appointed in respect of the relevant issuance of Debentures and as more particularly set out in the Key Information Document for the relevant issuance of Debentures.
Debenture Trustee Agreement	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the agreement executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia*

	for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustees Regulations/ SEBI Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, modified, supplemented or restated from time to time.
Debenture Trust Deed/DTD	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debt Disclosure Documents	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, collectively, this General Information Document, the relevant Key Information Document for the relevant issuance of Debentures and the relevant PPOA for the relevant issuance of Debentures, and "Debt Disclosure Document" means any one of them.
Deemed Date of Allotment	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the deemed date of allotment set out in the Key Information Document for the relevant issuance of Debentures.
Demat	means the dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	means the Depositories Act, 1996, as amended from time to time.
Depositories	means the depositories with whom the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	means the director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
DRR	has the meaning given to it in Section 6.36 (*Other details*) of this General Information Document.
Due Dates	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the dates on which any interest, any principal amounts, any additional interest, any liquidated damages, any premature redemption amount and/or any other amounts payable are due and payable, as more particularly set out in the Key Information Document for the relevant issuance of Debentures, and "Due Date" shall be construed accordingly.
EBP Platform	has the meaning given to it under the EBP Requirements.
Electronic Book Provider / EBP	has the meaning given to it under the EBP Requirements.
Effective Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the date of execution of the DTD for the relevant issuance of Debentures.
EFT	Electronic Fund Transfer
Eligible Investors	means the eligible investors set out in Section 9.15 of the General Information Document read with the Key Information Document for the relevant issuance of Debentures.

Events of Default	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the events of default set out in the Key Information Document for the relevant issuance of Debentures.
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
General Information Document/GID	means this general information document issued by the Issuer in respect of all tranches/series of Debentures.
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law, and "Governmental Authorities" shall be construed accordingly.
ICCL	means the Indian Clearing Corporation Limited.
INR/Rs.	Means Indian Rupees.
Issue	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the issue of the relevant series of Debentures on a private placement basis pursuant to this General Information Document and the relevant Key Information Document.
Issue Closing Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the issue closing date set out in the Key Information Document for the relevant issuance of Debentures.
Issue Opening Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the issue opening date set out in the Key Information Document for the relevant issuance of Debentures.
Key Information Document	means the key information document issued/to be issued by the Issuer in accordance with the Debt Listing Regulations in respect of any tranche/series of Debentures issued pursuant to this General Information Document.
Listed NCDs Master Circular	means the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, supplemented or restated from time to time.
Listing Period	has the meaning given to it under Section 8.1 (*Summary Terms*) below.
LODR Regulations/SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, supplemented or restated from time to time.
N.A.	Not Applicable
NBFC	Non-banking financial company
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement Offer cum Application Letter/PPOA	Means the private placement offer cum application letter issued/to be issued by the Issuer in accordance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of any tranche/series of Debentures issued pursuant to this General Information Document.
Promoters	has the meaning given to it in the SEBI Debt Listing Regulations.
Promoter Group	has the meaning given to it in the SEBI Debt Listing Regulations.

Rating	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the credit rating for the Debentures set out in the relevant Key Information Document.
Rating Agency	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the rating agency for the Debentures set out in the relevant Key Information Document.
RBI	Reserve Bank of India.
Record Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be set out in the relevant Key Information Document.
Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Company in accordance with the provisions of Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Operational Circular.
Register of Beneficial Owners	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the register of beneficial owners of the Debentures maintained in the records of the Depositories.
Register of Debenture Holders	means the register maintained by the Issuer in accordance with Section 88 of the Companies Act.
R&T Agent/Registrar	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the registrar and transfer agent appointed for the issue of Debentures and as set out in the relevant Key Information Document.
ROC	means the jurisdictional registrar of companies.
Rs. / INR	Indian National Rupees.
RTGS	Real Time Gross Settlement.
SEBI	means the Securities and Exchange Board of India.
SEBI Debt Listing Regulations/Debt Listing Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified, supplemented, or restated from time to time.
SEBI Debenture Trustees Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 on "*Master Circular for Debenture Trustees*", as amended, modified, supplemented or restated from time to time.
SEBI EBP Requirements / EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Master Circular, and the operational guidelines issued by the relevant electronic book provider, as may be restated, amended, modified or updated from time to time.
SEBI Listed Debentures Circulars	means, collectively, the Listed NCDs Master Circular, the SEBI Debenture Trustees Master Circular, the SEBI Debt Listing Regulations, the LODR Regulations and the SEBI LODR Master Circular (to the extent applicable).
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Master Circular, read with, to the extent applicable, the SEBI EBP Requirements.

SEBI LODR Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 on "*Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities*", as amended, modified, or restated from time to time.
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019, on "*Prudential Framework for Resolution of Stressed Assets*", as may be amended, modified, supplemented or restated from time to time.
Tax	means any present or future tax (direct or indirect), levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
TDS	Tax Deducted at Source.
Transaction Documents	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the transaction documents executed for the relevant issuance of Debentures (including without limitation, the the Debenture Trust Deed, the Debenture Trustee Agreement, the Debt Disclosure Documents, and any other document that may be designated as a Transaction Document by the Debenture Trustee), and "Transaction Document" means any of them.
WDM	Wholesale Debt Market
Wilful Defaulter	means an issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. This General Information Document (and any Key Information Document issued pursuant thereto) is not an offer or invitation under Section 42 of the Companies Act 2013. An offer will be made to identified Eligible Investors acceptable to the Issuer pursuant to a serially numbered and specifically addressed PPOA.

The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) to be filed or submitted to the SEBI for its review and/or approval. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and Applicable Laws governing private placements of debentures. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not purport to contain all the information that any Eligible Investor may require. Further, this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this General Information Document or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the General Information Document (and any

Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) would be doing so at its own risk.

This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) have been sent. Any application by a person to whom the General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) have not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this General Information Document (and any Key Information Document issued pursuant thereto and/or PPOA issued pursuant thereto)) without retaining any copies hereof. If any recipient of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) decide not to participate in the Issue, that recipient must promptly return this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) to reflect subsequent events after the date of General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) do not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) in any jurisdiction where such action is

required. Persons into whose possession this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) come are required to inform themselves of, and to observe, any such restrictions. The General Information Document (and any Key Information Document issued pursuant thereto and/or PPOA issued pursuant thereto) is made available to potential Investors in the Issue on the strict understanding that it is confidential.

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DEBT DISCLOSURE DOCUMENT/ GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO AND/OR PPOA ISSUED PURSUANT THERETO) OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this General Information Document has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this General Information Document to the BSE should not in any way be deemed or construed to mean that this General Information Document has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this General Information Document, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The Issuer is having a valid certificate of registration issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has to be filed with or submitted to the SEBI for its review / approval.

It is to be distinctly understood that this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto).

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE ISSUE DOCUMENT/GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO) TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DEBT DISCLOSURE DOCUMENT/ GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO). THE LEAD MANAGER(S) (IF ANY) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT/GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO) ARE GENERALLY ADEQUATE AND ARE IN

CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to the "Eligible Investors" set out this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto), who shall be/have been identified upfront by the Issuer. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at the location set out in Section 8.1 (*Summary Terms*). This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investors with their respective depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.8 DISCLAIMER IN RESPECT OF DEBENTURE TRUSTEE

The Debenture Trustee or its agents or advisers associated with the issue of the Debentures do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and shall not have any responsibility to advise any investor or prospective investor in the Debentures of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors.

The Debenture Trustee and its agents or advisors associated with the issue of the Debentures have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee shall have no liability in relation to the information contained in this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) or any other information provided by the Issuer in connection with the Issue. The Debenture Trustee is neither a principal debtor nor a guarantor of the Debentures.

2.9 CAUTIONARY NOTE

By investing in the Debentures, the eligible investor(s) acknowledge that they: (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debentures, (ii) have not requested the Issuer to provide it with any further material or other information, (iii) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debentures, (iv) have made their own investment decision regarding the Debentures based on their own knowledge (and information they have or which is publicly available) with respect to the Debentures or the Issuer, (v) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debentures, (vi) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, including, without limitation, the Issuer, and (vii) understand that, by purchase or holding of the Debentures, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that they may lose all or a substantial portion of their investment in the Debentures, and they will not look to the Debenture Trustee or other intermediaries appointed for the Debentures for all or part of any such loss or losses that they may suffer.

SECTION 3: DETAILS OF PROMOTERS OF THE ISSUER

The details of the Promoters of the Issuer are set out below:

1. **DMI Limited**

   (a) Photo: N.A.

   (b) Date of birth/incorporation: 12 September 2008

   (c) Age: N.A.

   (d) Personal Address: 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius

   (e) Educational Qualifications: N.A.

   (f) Experience in the business or employment: N.A.

   (g) Positions/posts held in the past: N.A.

   (h) Directorships held: N.A.

   (i) Other ventures of the promoter: N.A.

   (j) Special achievements: N.A.

   (k) Their business and financial activities: Principal activity of the Company is investment holding

   (l) Permanent Accountant Number: AAECD1115E

   (m) Other details: License No. C108006700 - Category I Global Business Licence issued by Financial Services Commission

The Issuer hereby confirms and declares that, to the extent applicable, Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to BSE, at the time of filing the draft General Information Document.

SECTION 4: GENERAL RISKS

GENERAL RISK

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 4 of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

RISK FACTORS

In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this General Information Document, the relevant Key Disclosure Document and/or the PPOA for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. Potential Investors should also read the detailed information set out elsewhere in this General Information Document, the relevant Key Disclosure Document, and/or the PPOA and reach their own views prior to making any investment decision.

4.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer whereby the Investors may or may not recover all or part of the funds in case of default by the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

4.2 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES; THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID; LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES.

The Debentures may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

4.3 CREDIT RISK & RATING DOWNGRADE RISK

In the event of deterioration in the financial health of the Issuer, there is a possibility that the relevant rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

4.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. 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 fall and when interest rates drop, the prices 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 pricing of the Debentures.

4.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

4.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

4.7 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES, IF ANY; SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES; RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

In the event that the Issuer is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the security in respect of the Debentures as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the transaction security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the transaction security may be insufficient to redeem the Debentures.

Fluctuations in the market values of the assets over which security has been provided in respect of loans provided by the Issuer could affect the Issuer's liquidity and reduce the Issuer's ability to enforce the security, which could adversely affect the Issuer's result of operations and financial condition. The Issuer may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and the Issuer's assessments, assumptions or estimates may prove inaccurate.

Further, while the Debentures are secured against a charge to the tune of at least 100% (one hundred percent) of the principal and interest amount in favour of the Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% (one hundred percent) of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

4.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

The Issuer is bound by the RBI's guidelines pertaining to the financial regulation of NBFCs, which cover aspects such as capital adequacy, exposure, and other prudential norms. The RBI also oversees the credit flow from banks to NBFCs, issuing guidelines to commercial banks regarding their investment and credit exposure norms for lending to NBFCs. It is possible that the RBI's regulations for NBFCs may undergo changes in the future, necessitating a restructuring of the Issuer’s activities, incurring additional costs, or potentially having adverse

effects on our business and financial performance. Although the RBI has not imposed restrictions on interest rates for non-deposit taking NBFCs, there is no guarantee that the RBI or the Government will not introduce regulations or policies, including those related to interest rates, taxation, inflation, exchange controls, or other actions that could negatively impact non-deposit taking NBFCs.

4.9 LITIGATION OR ARBITRATION COULD RESULT IN MATERIAL ADVERSE EFFECT ON ISSUER'S OPERATIONS OR FINANCIAL CONDITIONS

The Issuer is currently, and may continue to be, involved in legal proceedings as part of its regular business operations, including lawsuits and arbitrations. Engaging in litigation or arbitration may lead to significant costs, diversion of resources for the Issuer and/or potentially incurring substantial liabilities to third parties. There is no guarantee that the outcomes of these legal proceedings will not have a material impact on the Issuer's business, reputation, or standing in the market. Additionally, recovering any losses from third parties, regardless of Issuer's fault, is uncertain. Such losses could potentially have a materially adverse effect on the Issuer's operational results or financial condition. Furthermore, there is no assurance that the provisions set aside for losses from litigation or arbitration will be adequate to cover the Issuer's ultimate expenses or losses.

4.10 NCDS SHALL BE SUBORDINATED TO CERTAIN OTHER LIABILITIES

The NCDs will hold a subordinate position to specific legal obligations, including those preferred by law, such as claims from the Government of India related to taxes, and certain liabilities arising in the normal course of our business transactions. Specifically, in scenarios like bankruptcy, liquidation, or winding up, the assets will be available to fulfil obligations related to the NCDs only after settling all liabilities that hold a higher priority than these NCDs.

4.11 ISSUER HAS ENTERED INTO AND MAY IN FUTURE ENTER INTO RELATED PARTY TRANSACTIONS

The Issuer has engaged in transactions with various related parties in the past. The Issuer cannot guarantee that more favourable terms could not have been obtained if these transactions were not with related parties. Additionally, it is probable that the Issuer will continue to enter into transactions with related parties in the future. There is no assurance that these transactions, whether considered individually or collectively, will not negatively impact the Issuer's financial condition and operational results. The transactions conducted and any potential future dealings with related parties may entail conflicts of interest.

4.12 LEGALITY OF PURCHASE

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

4.13 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

4.14 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) **AS AN NBFC, ONE OF THE MOST IMPORTANT RISKS AFFECTING THE PROFITABILITY OF THE ISSUER IS THE RISK OF NON-PAYMENT BY THE BORROWERS AND OTHER COUNTERPARTIES.**

As the Issuer continues to expand its business in India and introduce new products, the size of its loan assets is anticipated to grow in the future. Given that a significant portion of its borrowers consists of individuals and small to medium-sized companies, the Issuer faces elevated credit risk. This increased risk is attributed to the potential challenges these borrowers may encounter in adapting to shifts in the economic and industrial landscape, as well as global technological changes, along with alterations in the Indian regulatory and political environment. Such factors may contribute to a rise in the number and value of NPA.

The Issuer is exposed to the risk that third parties, who owe it money, securities, or other assets, may fail to fulfill their obligations. These parties could default on their obligations for various reasons, such as bankruptcy, lack of liquidity, operational failure, and other unforeseen circumstances. Additionally, any delays in enforcing collateral, whether due to procedural delays in enforcement proceedings before Indian courts or other reasons, could potentially expose the Issuer to losses.

When determining whether to extend credit to customers or enter into transactions with counterparties, the Issuer heavily relies on information provided by or on behalf of its customers, including financial data, for conducting credit assessments. The Issuer may also depend on representations and undertakings regarding the accuracy, correctness, and completeness of information, often verified by external agencies to which such functions are outsourced. If the information provided is materially misleading, it could elevate the risk of default. Relying on inaccurate or misleading information may have negative effects on the Issuer's financial condition and results of operations.

Even though the Issuer routinely assesses credit exposures to clients, counterparties, industries, and geographical regions that are perceived to pose credit concerns, the occurrence of defaults cannot always be easily detected or foreseen. Events or circumstances may arise unexpectedly, leading to defaults that may be challenging to anticipate or identify through regular reviews.

(b) **INTEREST RATE RISK**

The Issuer relies heavily on interest income generated from its operations, and its exposure to interest rate risk stems primarily from lending to customers at rates, amounts, and durations that may differ from its funding sources (institutional/bank borrowings and debt offerings). The Issuer endeavors to align its interest rate positions to minimize this risk. However, despite these efforts, there is no guarantee that significant movements in interest rates will not impact its operational results. Interest rates are highly sensitive to various external factors beyond the Issuer's control, including the monetary policies of the RBI, the deregulation of the financial sector in India, domestic and international economic and political conditions, inflation, and other variables. Historically, interest rates in India have exhibited a relatively high degree of volatility due to these factors. Nevertheless, the Issuer aims to keep interest rate risk at minimum levels by proactively coordinating resource securing and lending activities on an ongoing basis.

(c) **FAILURE TO RECOVER THE EXPECTED VALUE OF COLLATERAL WHEN BORROWERS DEFAULT ON THEIR OBLIGATIONS TO ISSUER MAY ADVERSELY AFFECT ITS FINANCIAL PERFORMANCE.**

The Issuer cannot guarantee the realization of the full value of its collateral, and various factors may contribute to this uncertainty. These factors include defects in the perfection of collateral, delays on the Issuer's part in initiating prompt action in bankruptcy or foreclosure proceedings, downturns in the stock market, claims from other lenders, legal or judicial restraints, and fraudulent transfers by borrowers. Additionally, if a specialized regulatory agency gains jurisdiction over the borrower, creditor actions may face further delays. The failure to recover the anticipated value of collateral security could expose the Issuer to potential losses. Furthermore, the Issuer may be part of a syndicate of lenders, and the majority may choose a different course of action than the Issuer would have preferred. Any unexpected loss in this regard could adversely impact the Issuer's business, prospects, results of operations, and financial condition.

(d) **ASSET-LIABILITY MISMATCHES IN THE SHORT TERM, WHICH COULD AFFECT COMPANY'S LIQUIDITY POSITION.**

The measure of the Issuer's exposure to liquidity risk is determined by the difference between the value of assets and liabilities maturing in a specific time period. Similar to many NBFCs, a portion of the Issuer's funding requirements is fulfilled through short-term sources, such as working capital demand loans, cash credit, short-term loans, and commercial papers. However, a segment of the Issuer's assets has medium or long-term maturities, and as the Issuer expands, the proportion of such assets is expected to increase. If the existing and committed credit facilities are withdrawn or unavailable, it may lead to funding mismatches, adversely affecting our business and future financial performance.

(e) **ISSUER'S INABILITY TO CONTROL THE NUMBER AND VALUE OF NPAS IN ISSUER'S PORTFOLIO COULD ADVERSELY AFFECT ISSUER'S BUSINESS AND RESULTS OF OPERATIONS.**

The Issuer faces risks related to its inability to control or reduce the number and value of its NPAs, potentially leading to a deterioration in the quality of its loan portfolio and significant impacts on its business. While the Issuer's current total provisioning against NPAs may be deemed adequate to cover identified losses in its loan portfolio, there is no guarantee that future provisioning, while complying with regulatory requirements, will be sufficient to cover all anticipated losses. Moreover, challenges in meeting recovery targets for a specific financial year, attributed to intense competition at both global and domestic levels, could result in an increase in the number and value of NPAs, thereby impacting the Issuer.

(f) **ISSUER'S INDEBTEDNESS AND RESTRICTIVE COVENANTS IMPOSED BY ISSUER'S FINANCING AGREEMENTS COULD RESTRICT ITS ABILITY TO CONDUCT ITS BUSINESS AND OPERATIONS.**

The Issuer's financing agreements impose specific security margin requirements. In the event of a breach of any financial or other covenants outlined in these agreements, the Issuer may be obligated to promptly repay the borrowings, either in full or in part, along with any associated costs. Some credit lines necessitate obtaining prior written consent from the relevant lender before engaging in activities such as expansion, merger, amalgamation, compromise, restructuring, or selling, leasing, transferring a substantial portion of assets. Additionally, obtaining consent is required for changes in ownership, control, shareholding, management, majority of directors, or the nature of business, as well as amendments to the Memorandum and Articles of Association. These conditions may limit or delay certain actions or initiatives that the Issuer may wish to undertake from time to time.

(g) **ISSUER IS EXPOSED TO VARIOUS OPERATIONAL RISKS INCLUDING THE RISK OF FRAUD AND OTHER MISCONDUCT BY EMPLOYEES OR OUTSIDERS.**

Similar to other financial intermediaries, the Issuer faces operational risks encompassing the potential for fraud or misconduct by its employees or external parties. These risks include unauthorized transactions, misreporting, non-compliance with statutory and legal requirements, and operational errors. Preventing employees from engaging in misconduct is not always guaranteed, and the measures implemented to detect and prevent such activities may not be fool-proof in all instances. Instances of employee misconduct or fraud, as well as the improper use or disclosure of confidential information, could lead to regulatory and legal proceedings, negatively impacting the Issuer's reputation and operational efficiency.

(h) **ISSUER MAY NOT BE ABLE TO ATTRACT OR RETAIN TALENTED PROFESSIONALS REQUIRED FOR ITS BUSINESS.**

The complexity of the Issuer's business operations demand a workforce with high levels of skill and experience, providing us with a competitive advantage. The successful execution of Issuer's growth plans is heavily reliant on the availability of such qualified personnel and its ability to attract them. Failure to secure the necessary skilled manpower on time may result in missed business opportunities and adversely impact the Issuer's operations. Despite having appropriate human resource policies, the risk of losing key management personnel due to factors beyond the Issuer's control exists. The inability to replace them

adequately and promptly could have adverse effects on the Issuer's business and future financial performance.

(i) **ISSUER HAA A HIGH CONCENTRATION OF LOANS TO CERTAIN CUSTOMERS OR GROUP OF CUSTOMERS. IF A SUBSTANTIAL PORTION OF THESE LOANS BECOMES NON-PERFORMING, ITS BUSINESS AND FINANCIAL PERFORMANCE COULD BE AFFECTED.**

The Issuer's lending business, whether secured or unsecured, exposes it to the risk of third parties failing to meet their financial obligations. The composition of the Issuer's loan portfolio and non-performing asset portfolio may, presently or in the future, display a significant concentration in specific customers or customer groups. These entities might default on their obligations to the Issuer for reasons such as bankruptcy, liquidity shortages, operational breakdowns, contract breaches, government or regulatory interventions, and challenges in adapting to changes in the macro business environment. Historical trends show that borrowers or borrower groups have been negatively impacted to varying extents by economic conditions. The occurrence of credit losses resulting from the financial difficulties of these borrowers or borrower groups in the future could have adverse effects on the Issuer's business and financial performance.

(j) **SYSTEM FAILURES, INFRASTRUCTURE BOTTLENECKS AND SECURITY BREACHES IN COMPUTER SYSTEMS MAY ADVERSELY AFFECT ISSUER'S BUSINESS.**

The success of the Issuer's businesses relies significantly on its capability to handle a large volume of increasingly intricate transactions on a daily basis. There is a risk that the Issuer's financial, accounting, or other data processing systems may malfunction or become disabled due to events, whether wholly or partially beyond the Issuer's control, such as disruptions in electrical or communications services. Malfunctions, disabilities, or other deficiencies in these systems or internal processes could potentially impact the Issuer's operations, lead to financial losses, disrupt our businesses, prompt regulatory intervention, or harm its reputation. Furthermore, disruptions in the infrastructure supporting the Issuer's businesses and the areas where we operate could adversely affect our ability to conduct business.

The success of the Issuer's operations is contingent upon the secure processing, storage, and transmission of confidential and other information within its computer systems and networks. There is a potential vulnerability to unauthorized access, computer viruses, malicious code, and other events that could compromise the integrity and security of the Issuer's data.

(k) **ACCESS TO CAPITAL MARKETS AND COMMERCIAL BORROWINGS**

The Issuer's growth hinges on its ongoing capacity to secure funds at competitive rates. As its business expands, the Issuer increasingly relies on funding from debt capital markets and commercial borrowings. The market for such funds is competitive, and the Issuer's ability to obtain funds at competitive rates is influenced by various factors, including its credit ratings. While the Issuer has historically maintained competitive borrowing costs due to its credit rating and quality asset portfolio, an inability to access funds at an effective cost comparable to or lower than its competitors could hinder its ability to offer competitive interest rates for its loans. This could adversely impact its business and future financial performance.

The Issuer is also exposed to liquidity risks in financial markets, influenced by international market developments that affect the Indian economy. Economic and financial condition changes may make it challenging for the Company to access funds at competitive rates. Being an NBFC, the Issuer faces restrictions on raising funds from international markets, which are generally more cost-effective sources. This constraint further limits its ability to obtain funds at more favourable rates.

(l) **COMPETITION FROM BANKS AND FINANCIAL INSTITUTIONS, AS WELL AS STATE-SPONSORED PROGRAMS, MAY ADVERSELY AFFECT THE ISSUER'S PROFITABILITY AND POSITION IN THE INDIAN NBFC LENDING INDUSTRY**

The Issuer contends with substantial competition primarily from other NBFCs and banks in India. Many of these competing institutions possess larger assets, superior access to, and lower costs of funding compared

to the Issuer. Additionally, in specific domains, they may enjoy better brand recognition and larger customer bases than the Issuer. As the Issuer expands its operations in India, it foresees the possibility of heightened competition, potentially leading to adverse effects on its business, operational results, and financial condition.

(m) **THE ECONOMIC FALLOUT FROM THE SPREAD OF SIMILAR PANDEMIC SITUATION LIKE COVID-19 VIRUS OR OTHER FORCE MAJEURE SITUATION**

The spread of the COVID-19 virus across the globe, along with governmental measures such as lockdowns and curfews, has not only impacted the day to day lives of millions of people but also has dealt a significant blow to India's economy. Similar pandemic situations or other force majeure events could have adverse effects on the Issuer's operations, business, liquidity, and cash flows. We may encounter unforeseeable declines in demand for specific products and services or an unexpected rise in customer defaults on repayments. As a result, there could be a negative impact on the company's capacity to fulfil its obligations related to the Debentures.

(n) **ISSUER PROCESSES AND STORES LARGE VOLUMES OF PERSONAL DATA AND FACES INHERENT RISKS RELATING TO IMPROPER USE OR COLLECTION OF PERSONAL DATA**

The Issuer's business involves processing a substantial amount of personal data, obtained with user consent, and analysing it to create user and user group profiles. Its privacy policies, outlining the collection, use, and disclosure of personal data along with user rights, are consented to and made accessible for reference by its customers at any time. Handling and safeguarding a large volume of data, particularly user data, pose inherent risks. Improper collection, use, or disclosure of user data could lead to loss of customers, business, partner financial institutions, and further result in erosion of trust, legal actions, regulatory scrutiny, penalties, damage to the Issuer's reputation, and adverse effects on the Issuer's business, financial condition, operational results, and cash flows.

4.15 **TRADING OF THE NCDS MAY BE LIMITED BY TEMPORARY EXCHANGE CLOSURES, BROKER DEFAULTS, SETTLEMENT DELAYS, STRIKES BY BROKERAGE FIRM EMPLOYEES AND DISPUTES.**

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

4.16 **REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING PRECEDING THREE FINANCIAL YEARS AND CURRENT FINANCIAL YEAR BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD**

As on the date of this General Information Document, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

4.17 **IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:**

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this General Information Document, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this General Information Document, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this General Information Document, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant to the Companies (Share Capital and Debentures) Rules, 2014, a non-banking financial company is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this General Information Document, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

OTHERS: A failure to observe the covenants under the Issuer's financing arrangements or to obtain necessary consents required thereunder may lead to the termination of the Issuer's credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under the Issuer's other financing agreements. If the obligations under any of the Issuer's financing documents are accelerated, the Issuer may have to dedicate a substantial portion of the Issuer's cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for the Issuer's working capital requirements and other general corporate purposes. Further, during any period in which the Issuer is in default, the Issuer may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect the Issuer's business, credit rating and financial condition, cash flows and results of operations. If the Issuer fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare the Issuer to be in default under the terms of the Issuer's agreements or accelerate the maturity of the Issuer's obligations. the Issuer cannot assure the Investors that, in the event of any such acceleration, the Issuer will have sufficient resources to repay the borrowings.

4.18 **ALL COVENANTS INCLUDING THE ACCELERATED PAYMENT COVENANTS GIVEN BY WAY OF SIDE LETTERS SHALL BE INCORPORATED IN THE ISSUE DOCUMENT BY THE ISSUER**

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in this General Information Document and the relevant Key Disclosure Document.

SECTION 5: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the limited review financial statements as of September 30, 2023 are set out in Annexure I hereto.

SECTION 6: REGULATORY DISCLOSURES

This General Information Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this Section 6, the Issuer has set out the details required as per the SEBI Debt Listing Regulations (including Schedule I thereof).

6.1 **The Issuer shall file the following documents along with the listing application to the stock exchange and with the Debenture Trustee:**

The following documents have been / shall be submitted to the BSE and the Debenture Trustee:

(a) The relevant Debt Disclosure Documents;
(b) Memorandum of Association and Articles of Association;
(c) Copy of the requisite board/ committee resolutions authorizing the borrowing and list of authorised signatories for the allotment of securities;
(d) Copy of last three years Annual Reports;
(e) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(f) An undertaking from the issuer stating that the necessary documents for creation of the charge, wherever applicable, including the Trust Deed has been executed within the time frame prescribed in the relevant regulations/Act/rules etc. and the same would be uploaded on the website of the designated stock exchange, where such securities have been proposed to be listed;
(g) In case of debt securities, an undertaking that permission / consent from the prior creditor for a second or pari passu charge being created, wherever applicable, in favour of the debenture trustee to the proposed issue has been obtained;
(h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit;
(i) Due diligence certificate from the Debenture Trustee as per the format specified in the SEBI Debt Listing Regulations; and
(j) Due diligence certificate from the Debenture Trustee as per the format specified in the SEBI Debenture Trustees Master Circular.

6.2 **The following documents have been / shall be submitted to BSE at the time of filing the draft of this General Information Document:**

Due diligence certificates from the Debenture Trustee as per the format specified in the SEBI Debenture Trustees Master Circular and the format as specified in the SEBI Debt Listing Regulations.

6.3 **Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

To be set out in the Key Information Document for the relevant issuance of Debentures.

6.4 **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being or has been created, as specified by the Board.**

Each tranche/series of Debentures are proposed to be listed on the WDM segment of BSE within the time period prescribed under the SEBI Listing Timelines Requirements. The Debentures are not proposed to be listed on more than one stock exchange.

The Issuer shall comply with the requirements of the listing agreement for debt securities to the

extent applicable to it on a continuous basis.

In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the Recovery Expense Fund shall be created by the Issuer with BSE in accordance with Chapter IV of the SEBI Debenture Trustees Master Circular.

The in-principle approval from BSE in respect of this General Information Document is provided in Annexure III.

6.5 **Issue Schedule:**

PARTICULARS	DATE
Issue Opening Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Issue Closing Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Pay In Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Deemed Date of Allotment	To be set out in the Key Information Document for the relevant issuance of Debentures.

6.6 **Name, logo, addresses, website URL, email address, telephone number and contact person of:**

(a) **Legal Counsel**

The details of the legal counsel for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **Merchant Banker and co-managers to the issues**

The details of the merchant banker and co-managers for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **Guarantor**

The details of the guarantor for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(d) **Arrangers**

The details of the arranger for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(e) **Debenture Trustee to the Issue**

The details of the debenture trustee for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(f) **Credit Rating Agency for the Issue**

The details of the rating agency for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(g) **Registrar the Issue**

The details of the registrar and transfer agent for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(h) **Statutory Auditors**

Name	S N Dhawan & Co
Logo	S.N. Dhawan & CO LLP Chartered Accountants
Peer review certificate no.	**014000**
Address	421, II Floor, Udyog Vihar Phase IV, Gurugram, Haryana 122016, India
Website	https://www.mazars.co.in/
E-mail address	vinesh.jain@sndhawan.com
Telephone Number	+91 124 481 4444
Contact Person Details	Mr. Vinesh Jain

6.7 **About the Issuer**

The following details pertaining to the issuer:

(a) ***Overview and a brief summary of the business activities of the issuer***

The Company is registered as a Non-Deposit Accepting Non-Banking Financial Company and categorized as a NBFC - Investment and Credit Company (NBFC-ICC) as per circular no. DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 with the Reserve Bank of India having NBFC registration No. N-14.03176 pursuant to letter no. DNBS.ND.No.4624/Regn.New/ 04.04.004/2008-09 dated January 07, 2009 issued by the RBI attaching the Certificate of Registration as a Non-Banking Financial Company.

The Company has two separate lines of business as mentioned below:

- **Retail Business-** Consumer Loans in the form of unsecured retail loans to individuals in the form of Personal Loans, Consumption Loans and MSME Loans. Tenure of such loans ranges from 3 months to 36 months.
- **Wholesale Business-** Secured Corporate Loans to medium and large sized corporate/companies/businesses across all sectors. The Company offers corporate loans having tenor in the range of 1 to 4 years.

The main objects of the Company, as provided in its Memorandum of Association, are as below:

a) To carry on the business of NBFC's (Non-Banking Financial Company) in the form of loan company, hire purchase Company, finance company and to undertake all types of lending, leasing, hire purchase, assets finance or any other form of lending business.

b) To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto.

c) *To carry on the business of financing or lending relating to all types, kinds of business, machinery, plant, equipment. Ships, vehicles, aircraft, rolling stock, factories, movable and immovable property, to arrange or syndicate leasing or hire purchase, to undertake bills discounting, purchasing, financing, re-discount bills of exchange, to act as a discount and acceptance house, to arrange acceptance or co-acceptance of bills and to borrow, to lend, to negotiate loans, to transact business as financiers or monetary agents. To act as financiers with the objects of financing Industrial Enterprise, to lend or deal with the money either with or without interest or security as the company may deem expedient.*

d) *To acquire and hold by way of investment, shares, stocks, debentures, debenture-stock, debentures, obligations or securities by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same or to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to ownership thereof.*

e) *To carry on and to do all kinds of business of lending or depositing money secured or otherwise on such security or otherwise as the company may deem expedient and transacting contracts regarding the borrowing and lending of money including the negotiation for loans and syndication of loans.*

To carry on and to do all kinds of business relating to Investment Advisory Services. Financial Consultancy, Factoring, Credit Rating Agency, Leasing and Finance, Micro Credit, Rural Credit, Forex Broking and related services.

(b) ***Structure of the group***

DMI Limited (the promoter) is the Issuer's holding company and holds 72.98% of the paid up shareholding of the Issuer as on September 30, 2023.The Company has the following subsidiary companies as on September 30, 2023:

S.no.	Name of Company
1	DMI Capital Private Limited
2	DMI Management Services Private Limited
3	Appnit technologies Private Limited

(c) ***A brief summary of the business activities of the subsidiaries of the issuer***

The Company has the following subsidiary companies as on September 30, 2023:

S.no.	Name of Company	Brief about the business
1	DMI Capital Private Limited	The Company is registered with the Ministry of Corporate Affairs vide Company Identification No. U67120DL2013PTC252176. The said company has been incorporated for purpose of undertaking business of merchant banking in accordance with applicable laws. It is registered with SEBI as a Category I Merchant Banker with registration no. INM000012193 dated January 22, 2015. The Company as on September 30, 2023 holds 100% of the said subsidiary's share capital.

2	DMI Management Services Private Limited	The Company is registered with Ministry of Corporate Affairs vide Company Identification No. U74140DL2012PTC246830. The said company has been incorporated to undertake the business of management advisory services. The Company as of September 30, 2023 owns 100% of the said subsidiary's share capital.
3	Appnit technologies Private Limited	The Company is registered with Ministry of Corporate Affairs vide Company Identification no. U72900UP2014PTC063266. The said entity is registered with the Reserve Bank of India as a Prepaid Payments Issuer ('PPI') to undertake the business of issuance and operations of Prepaid Payment Instruments (PPI) vide CoA No. 109/2017 dated March 22, 2017. The Company holds 94.04% of the said subsidiary's share capital as on September 30, 2023.

(d) ***Details of branches or units where the issuer carries on its business activities, if any***

Further, as on the date of this General Information Document, the Issuer has ten (10) representative office located at Mumbai (04), Delhi (01), Bengaluru (02), Kolkata (01), Noida (01), Gurugram (01).

(e) ***Project cost and means of financing, in case of funding of new projects:*** To be set out in the Key Information Document for the relevant issuance of Debentures.

6.8 **Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:**

S. NO	PARTICULARS	FEE/EXPENSE AMOUNT	% OF TOTAL ISSUE EXPENSES	% OF TOTAL ISSUE SIZE
1.	Lead Manager(s) fees	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
2.	Underwriting commission	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
3.	Brokerage, selling commission and upload fees	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
4.	Fees payable to the registrars to the issue	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--

5.	Fees payable to the legal advisors	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
6.	Advertising and marketing expenses	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
7.	Fees payable to the regulators including stock exchanges	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
8.	Expenses incurred on printing and distribution of issue stationary	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
9.	Any other fees, commission and payments under whatever nomenclature	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--

6.9 **Financial Information**

(a) **The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years, which shall not be more than six months old from the date of the issue document or issue opening date, as applicable. Such financial statements shall be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI").**

However, if the issuer, being a listed REIT/listed InvIT, has been in existence for a period of less than three completed years, and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and the interim period, the combined financial statements shall be disclosed for the periods for which such historical financial statements are not available.

Please refer Annexure I for the audited financial statements of the Issuer for the Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and the limited review financial statements as of September 30, 2023.

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the listing regulations, may disclose unaudited financial information for the interim period in the format as specified therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for the interim period, subject to making necessary disclosures in this regard in issue document including risk factors.**

The audited financial statements of the Issuer for the Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and the limited review financial statements as of September 30, 2023 are being disclosed. Please refer Annexure I.

(c) **Issuers other than REITs/ InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

(i) The issue is made on the Electronic Book Platform of the stock exchange, irrespective of the issue size; and

(ii) In case of issue of securities on a private placement basis, the issue is open for subscription only to qualified institutional buyers

Not applicable as the Issuer has been in existence for more than 3 (three) years.

(d) **The above financial statements shall be accompanied with the auditor's report along with the requisite schedules, footnotes, summary etc.**

Please refer Annexure I for the audited financial statements of the Issuer for the Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and the limited review financial statements as of September 30, 2023 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

(e) **Key Operational and Financial Parameters on a consolidated basis and on a standalone basis:**

Standalone Basis

PARTICULARS	MARCH 31, 2021 (in INR in millions)	MARCH 31, 2022 (in INR in millions)	MARCH 31, 2023 (in INR in millions)	SEPTEMBER 30, 2023 (in INR in millions)
	Audited	**Audited**	**Audited**	**Limited review**
BALANCE SHEET				
Assets				
Property, Plant and Equipment	116.15	104.18	140.53	136.66
Financial Assets	54,420.21	65,982.88	83,382.56	117472.93
Non-financial Assets excluding property, plant and equipment	1305.7	1,625.31	1,780.39	2154.8
Total Assets	**55,842.06**	**67,712.37**	**85,303.48**	**1,19,764.39**
Liabilities				
Financial Liabilities				
- Derivative financial instruments	**	**	**	**
- Trade Payables	522.36	754.46	1142.17	2059.66
- Debt Securities	18551.69	18,552.27	16,837.91	13145.43
- Borrowings (other than Debt Securities)	1181.19	8,965.53	23,888.51	37196.54
- Subordinated liabilities				
- Other financial liabilities	628.19	819.1	1051.33	1093.31

Non-Financial Liabilities				
- Current tax liabilities (net)	**	**	**	**
- Provisions	56.73	77.25	96.35	108.85
- Deferred tax liabilities (net)	**	**	**	**
- Other non-financial liabilities	48.00	62.89	226.04	179.05
Equity (Equity Share Capital and Other Equity)	34,853.90	38,480.87	42,061.17	65,981.55
Non-controlling interest	**	**	**	**
Total Liabilities and Equity	1181.19	**67712.37**	**85303.48**	**119764.39**
PROFIT AND LOSS				
Revenue from operations	7540.47	8,961.76	16,368.82	11,462.90
Other Income	104.04	144.51	196.24	11,519.19
Total Income	7644.51	**9,106.27**	**16,565.06**	22,982.09
Total Expenses	**7,332.49**	**8,324.74**	**12,186.48**	**8,645.81**
Profit after tax for the year	223.08	577.80	3,240.16	2,140.11
Other Comprehensive income	4.98	627.54	174.54	-3.98
Total Comprehensive Income	**228.06**	**1,205.34**	**3,414.70**	**2,136.13**
Earnings per equity share (Basic)	0.35	0.82	4.93	2.91
Earnings per equity share (Diluted)	0.32	0.81	4.86	2.88
CASH FLOW				
Net cash from / used in (-) operating activities	730.67	-14,637.31	-16,684.24	-31,711.65
Net cash from / used in (-) investing activities	-3276.01	8,636.63	2,711.30	53.48
Net cash from / used in (-) financing activities	3830.71	10,057.68	13,068.06	31,307.48
Net increase / decrease (-) in cash and cash equivalents	1285.37	4,057.00	-904.88	-350.69
Cash and cash equivalents as per Cash Flow Statement as at the end of Half Year	2476.26	6,533.27	5,628.39	5,277.70
ADDITIONAL INFORMATION				

Net Worth	34,853.90	38,480.87	42,061.17	65,981.55
Cash and cash equivalents	2,476.26	6,533.27	5,628.39	5277.7
Loans	31,097.73	46,801.15	67,331.33	101074.5
Loans (Principal Amount)				
Total Debts to Total Assets	35.34%	40.64%	47.74%	42.03%
Interest Income	6910.64	7837.11	15,969.48	10,916.53
Interest Expense	1891.68	1,916.53	3,018.66	1,783.82
Impairment on Financial Instruments	2848.74	3411.93	4012.2	3,610.76
Bad Debts to Loans	**	**	**	**
% Stage 3 Loans on Loans (Principal Amount)	**	**	**	**
% Net Stage 3 Loans on Loans (Principal Amount)	**	**	**	**
Tier I Capital Adequacy Ratio (%)	59.03%	57.46%	49.94%	56.66%
Tier II Capital Adequacy Ratio (%)	1.17%	3.85%	0.93%	0.93%

Consolidated Basis:

PARTICULARS	MARCH 31, 2021 (in INR in millions)	MARCH 31, 2022 (in INR in millions)	MARCH 31, 2023 (in INR in millions)	SEPTEMBER 30, 2023 (in INR in millions) ***
	Audited	**Audited**	**Audited**	**Limited review**
BALANCE SHEET				
Assets				
Property, Plant and Equipment	116.23	104.64	143.00	NA
Financial Assets	54,549.36	65,886.13	83,153.37	NA
Non-financial Assets excluding property, plant and equipment	1,392.97	2,068.22	2,223.33	NA
Total Assets	**56,058.56**	**68,058.99**	**85,519.70**	NA
Liabilities				
Financial Liabilities				
- Derivative financial instruments	**	**	**	**
- Trade Payables	527.55	792.02	1,174.72	NA
- Other Payables	228.80	379.87	525.06	NA
- Debt Securities	18,551.69	18,552.27	16,837.91	NA
- Borrowings (other than Debt Securities)	1,181.19	8,988.07	23,889.34	NA
- Deposits	**	**	**	**
- Subordinated liabilities	**	**	**	**

- Lease liabilities	242.29	276.36	242.29	NA
- Other financial liabilities	158.33	162.87	283.98	NA
Non-Financial Liabilities				
- Current tax liabilities (net)	**	**	**	**
- Provisions	57.50	86.60	102.31	NA
- Deferred tax liabilities (net)				
- Other non-financial liabilities	48.06	103.51	261.79	NA
Equity (Equity Share Capital and Other Equity)	35,063.15	38,688.29	42,175.65	NA
Non-controlling interest	Nil	29.13	26.65	NA
Total Liabilities and Equity	**56,058.56**	**68,058.99**	**85,519.70**	NA
PROFIT AND LOSS				
Revenue from operations	7585.48	9,036.06	16,434.52	NA
Other Income	103.74	163.05	185.90	NA
Total Income	**7,689.22**	**9,199.11**	**16,620.42**	NA
Total Expenses	7368.12	8,393.90	12,295.46	NA
Profit after tax for the year	**269.28**	583.03	3,145.19	NA
Other Comprehensive income	4.99	628.12	174.09	NA
Total Comprehensive Income	**274.27**	**1,211.15**	**3,319.28**	NA
Earnings per equity share (Basic)	0.42	0.83	4.87	NA
Earnings per equity share (Diluted)	**0.39**	0.81	4.8	NA
CASH FLOW				
Net cash from / used in (-) operating activities	724.81	-15,259.50	-16,805.39	NA
Net cash from / used in (-) investing activities	-3,234.30	9,469.38	2,629.16	NA
Net cash from / used in (-) financing activities	3,830.71	10,080.22	13,046.35	NA
Net increase / decrease (-) in cash and cash equivalents	1,321.22	4,290.10	-1,129.88	NA
Cash and cash equivalents as per Cash Flow Statement as at the end of Half Year	2,533.91	6,829.64	5,699.76	NA

ADDITIONAL INFORMATION				
Net Worth	35,063.15	38,688.29	42,175.65	NA
Cash and cash equivalents	2,533.91	6,829.64	5,699.76	NA
Loans	31,097.73	46,801.15	67,344.47	NA
Total Debts to Total Assets	35.20%	40.47%	47.62%	NA
Interest Income	6916.49	7,837.41	15,970.05	NA
Interest Expense	1891.68	1,916.53	3,018.66	NA
Impairment on Financial Instruments	2848.74	3,411.93	4,012.20	NA
Bad Debts to Loans				NA

** This information/line-item is not maintained by the Issuer.

*** The Issuer does not maintain the consolidated financial statements on a quarterly or semi-annual basis.

(f) **Details of any other contingent liabilities of the Issuer based on the latest audited financial statements including amount and nature of liability:**

Contingent Liabilities not provided in respect of (as of 31 March 2023):

The Issuer has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of INR 3,878.97 million as on 31 March 2023

During the previous year, the Issuer has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of INR 6.42 million on account of disallowance of deductions under section 80G of the Income Tax Act, 1961. The Issuer has appealed before the Commissioner of Income Tax Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of INR 2.26 million but the Issuer has already paid taxes more than by INR 2.31 million therefore, the Issuer is not required to pay any additional demand. In presence of favourable case laws and judicial precedents wherein similar facts have been addressed, the Issuer expects that the additional demand will be deleted by CIT(A). Hence no provision there against is considered necessary at this point of time as the likelihood of liability devolving on the Issuer is less than probable.

Commitments (as of 31 March 2023):

Commitments for acquisition of property, plant and equipment (net of advances) – INR 4.05 million
Commitments for intangible assets under development (net of advances) – INR 2.90 million

(g) **The amount of corporate guarantee or letter of comfort issued by the issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued**

S. NO.	NAME OF COUNTERPARTY	NATURE OF/RELATIONSHIP WITH COUNTERPARTY	WHETHER CORPORATE GUARANTEE OR LETTER OF COMFORT	AMOUNT OF CORPORATE GUARANTEE OR LETTER OF COMFORT

				(in INR in Crores)
1.	DMI Housing Finance Private Limited	Group company	Corporate Guarantee	379.93

6.10 **A brief history of the Issuer since its incorporation giving details of its following activities:**

(a) ***Details of Share Capital as on last quarter end, i.e., September 30, 2023:***

SHARE CAPITAL	AMOUNT (IN INR LAKHS)
Authorised Share Capital	
1,96,50,00,000 equity shares of INR 10 each	1,96,500.00
35,000,000 preference shares of INR 10 each	3,500.00
TOTAL	**2,00,000.00**
Issued and Subscribed Capital	
79,81,77,752 equity shares of INR 10 each	74,248.45
Preference shares	NIL
Paid- up Share Capital	
74,08,62,352 equity shares of INR 10 each	74,086.24
5,73,15,400 partly paid up equity shares of INR 10 each	162.21
TOTAL	**74,248.45**

(b) ***Changes in its capital structure as on last quarter end i.e., September 30, 2023, for the preceding three financial years and current financial year:***

The authorized share capital of the Company was increased from INR 1,000,00,00,000 to INR 2,000,00,00,000 in the shareholder meeting of the Company held on November 15, 2022. Below mentioned are the changes in Issued, Subscribed and Paid Up Capital of the company:

FY 2020-21:

DATE OF CHANGE (ANNUAL GENERAL MEETING/ EXTRAORDINARY GENERAL MEETING)	PARTICULARS
NA as allotment was made on rights issue basis Date of Allotment- April 23, 2020	Allotment of 6,59,20,419 equity shares on right issue basis
NA as allotment was made on rights issue basis Date of Allotment- April 29, 2020	Allotment of 1,50,29,262 equity shares on right issue basis
NA	Receipt of first call of Rs. 1,62,21,386 on partly paid equity shares
February 15, 2021	Issuance of 10,53,340 equity shares on private placement basis
February 15, 2021	Issuance of 10,53,346 equity shares on private placement basis

FY 2021-22

DATE OF CHANGE (ANNUAL GENERAL MEETING/	PARTICULARS

EXTRAORDINARY GENERAL MEETING)	
March 16, 2018*	Issuance of 22,79,656 equity shares on exercise of ESOPs by employees
November 15, 2021	Issuance of 97,18,712 equity shares on private placement basis
November 15, 2021	Issuance of 10,44,100 equity shares on private placement basis

**Approval of DMI ESOP Plan was taken in EGM held on March 16, 2018. Subsequently, ESOPs were issued to employees and exercised by them pursuant to which equity shares to employees were allotted on Sept 20, 2021 and Sept 22, 2021.*

FY 2022-23

DATE OF CHANGE (ANNUAL GENERAL MEETING/ EXTRAORDINARY GENERAL MEETING)	PARTICULARS
March 16, 2018*	Issuance of 74,741 equity shares on exercise of ESOPs by employees

**Approval of DMI ESOP Plan was taken in EGM held on March 16, 2018. Subsequently, ESOPs were issued to employees and exercised by them pursuant to which equity shares to employees were allotted on December 05, 2022 and Feb 14, 2023 respectively.*

FY 2023 till Sept 30, 2023

DATE OF CHANGE (ANNUAL GENERAL MEETING/ EXTRAORDINARY GENERAL MEETING)	PARTICULARS
March 27, 2023	Issuance of 82,268,594 on private placement basis
July 09, 2021*	Issuance of 6,57,539 equity shares on exercise of convertible share warrants by Director, employee and consultant
March 16, 2018**	Issuance of 27,83,477 equity shares on exercise of ESOPs by employees

***Approval of issuance of convertible share warrants by Directors, employee and consultant was taken in EGM held on July 09, 2021. Subsequently, warrants were exercised by the said allottees pursuant to which equity shares were allotted to them on April 25, 2023, May 05, 2023 and June 17, 2023.*

***Approval of DMI ESOP Plan was taken in EGM held on March 16, 2018. Subsequently, ESOPs were issued to employees and exercised by them pursuant to which equity shares to employees were allotted on June 17, 2023*

(c) ***Details of the equity share capital for the preceding three financial years and current financial year:***

DATE OF ALLOTMENT	NO. OF EQUITY SHARES	FACE VALUE (IN INR)	ISSUE PRICE (IN INR)	CONSIDERATION (CASH, OTHER THAN CASH, ETC)	NATURE OF ALLOTMENT	CUMULATIVE			REMARKS
						NO. OF EQUITY SHARES	EQUITY SHARE CAPITAL	EQUITY SHARE PREMIUM	
23-Apr-20	6,59,20,419	10	106.36	Cash	Right Issue	68,22,14,985	6,25,21,48,197	7,01,12,95,764.84	NA
29-Apr-20	1,50,29,262	10	106.36	Cash	Right Issue	69,72,44,247	6,40,24,40,817	1,59,85,12,306.32	NA

25-Jan-21	5,73,15,400**	10	101.87	Cash	First Call on partly paid-up shares	69,72,44,247	6,41,55,09,856	1,71,85,77,567.35	First Call on partly paid-up shares
15-Feb-21	21,06,686	10	103.34	Cash	Preferential Allotment Basis	69,93,50,933	6,43,65,76,716	1,93,62,82,667.35	NA
20-Sept-21	21,59,565	10	As per ESOP schemes	Cash	Exercise of ESOPs	70,15,10,498	6,45,81,72,366	3,10,21,376.33	Issue of equity shares on exercise of ESOP
22-Sept-21	1,20,091	10	As per ESOP schemes	Cash	Exercise of ESOPs	70,16,30,589	6,45,93,73,276	42,71,875.74	Issue of equity shares on exercise of ESOP
23-Dec-21	97,18,712	10	209.75	Cash	Private Placement Basis	71,13,49,301	6,55,65,60,396	20,85,59,000	Issue of equity shares
30-Dec-21	10,44,100	10	209.75	Cash	Private Placement Basis	71,23,93,401	6,56,70,01,396	1,94,13,12,722	Issue of equity shares
5-Dec-22	37,551	10	As per ESOP schemes	Cash	Exercise of ESOPs				Issue of equity shares on exercise of ESOP
14-Feb-23	37,190	10	As per ESOP schemes	Cash	Exercise of ESOPs				Issue of equity shares on exercise of ESOP
13-Apr-23	8,22,68,594	10	259.18	Cash	Preferential Allotment Basis				Issue of equity shares
25-Apr-23	46,000	10	113.34	Cash	Exercise of warrants				Issue of equity shares on exercise of warrants
5-May-23	5,86,539	10	113.34	Cash	Exercise of warrants				Issue of equity shares on exercise of warrants
17-June-23	27,83,477	10	As per ESOP schemes	Cash	Exercise of ESOPs				Issue of equity shares on exercise of ESOP
17-June-23	25,000	10	113.34	Cash	Exercise of warrants				Issue of equity shares on exercise of warrants

(d) ***Details of any acquisition of or amalgamation with any entity in the preceding one year:***

The Company has not amalgamated or acquired any entity in the preceding one year from the date of this General Information Document.

(e) ***Details of any Reorganization or Reconstruction in the preceding one year:*** N.A.

TYPE OF EVENT	DATE OF ANNOUNCEMENT	DATE OF COMPLETION	DETAILS
N.A.	N.A.	N.A.	N.A.

(f) ***Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations****:* The shareholding pattern of the Issuer as of the last quarter end, i.e., September 30, 2023, prepared in accordance with the LODR Regulations is set out in Annexure IV.

(g) ***List of top ten holders of equity shares of the Company as on the latest quarter end, i.e., September 30, 2023****:*

S.	AME OF THE SHAREHOLDERS	TOTAL NUMBER OF EQUITY SHARES	NUMBER OF SHARES IN DEMAT FORM	TOTAL SHAREHOLDING AS PERCENTAGE (%) OF TOTAL NO. OF EQUITY SHARES
1	DMI Limited	53,52,11,045	53,52,11,045	67.05
2	MUFG Bank Limited	7,38,30,443	0	9.25%
3	NIS Ganesha S.A.	6,47,35,441	0	8.11%
4	Shivashish Chatterjee & Yuvraja Chanakya Singh (K2VZ Partnership Firm)	5,73,15,400	0	7.18%
5	DMI Income Fund Pte. Ltd	2,10,47,255	2,10,47,255	2.64%
6	Windy Investment Private Limited	1,39,76,517	1,39,76,417	1.75%
7	Ganesha Direct Limited	1,04,91,852	1,04,91,852	1.31%
8	Sumitomo Mitsui Trust Bank Limited	94,82,251	0	1.19%
9	Gaurav Burman (Windy Investment Partnership Firm)	33,65,005	33,65,005	0.42%
10	Anuj Malhotra	33,46,557	33,46,557	0.42%

6.11 **Following details regarding the directors of the Company:**

(a) ***Details of the current directors of the Company:***

This table sets out the details regarding the Company's Board of Directors as on date of this General Information Document:

NAME	DESIGNATION	DIN	AGE (IN YEARS)	ADDRESS	DATE OF APPOINTMENT	DETAILS OF OTHER DIRECTORSHIPS
Mr. Gaurav Burman	Nominee Director	01870814	50 years	30, Wilton Place, London, SW1X8SH	29-Jan-13	• Elephant India Advisors Private Limited • Windy Investments Private Limited

						• Elephant India Finance Private Limited • Berkeley Health Edu Private Limited • Burman Hospitality Private Limited • Northern Herbal Farms Private Limited • Head Digital Works Private Limited • DMI Housing Finance Private Limited • Experian Credit Information Company of India Private Limited • Burman Capital Management Private Limited • Metacog Health Private Limited • Windy Securities Private Limited
Mrs. Jayati Chatterjee	Director	01401127	72 years	347, Pocket -E, Mayur Vihar, Phase-II, New Delhi	02-Sep-08	• DMI Consumer Credit Private Limited Pardus Consultants Private Limited
Mr. Shivashish Chatterjee	Jt. Managing Director	02623460	49 years	One 5th AVE, 14D, New York, 10003, United States of America	30-Dec-10	• DMI Housing Finance Private Limited • DMI Consumer Credit Private Limited • DMI Capital Private Limited • DMI Management Services Private Limited • DMI Alternatives Private Limited • Quickwork Technologies Private Limited • JIT Techlabs Private Limited • Cutting Edge Software Private Limited
Mr. Gurcharan Das	Director	00100011	79 years	124, Jor Bagh, NewDelhi 110003	25-Aug-11	• Gillette India Limited • DMI Housing Finance Private Limited • Procter & Gamble Hygiene And Healthcare Limited •
Mr. Nipendar Kochhar	Director	02201954	73 years	55, Sainik Farms, New Delhi, 110062	11-Sep-08	• Pardus Consultants Private Limited • HCMR India Private Limited • DMI Housing Finance Private Limited

Mr. Alfred Victor Mendoza	Nominee Director	08432874	51 years	Lavaterstrasee 97, Zurich, 8002, Switzerland	14-Nov-22	• Quickwork Technologies Private Limited • Pardos Real Estate Private Limited • DMI Housing Finance Private Limited
Mr. Yuvraja Chanakya Singh	Jt. Managing Director	02601179	51 years	46, Second Floor,Jor Bagh, New Delhi, 110003	26-Aug-09	• DMI Housing Finance Private Limited • DMI Consumer Credit Private Limited • DMI Capital Private Limited • DMI Management Services Private Limited • Pardus Consultants Private Limited • DMI Alternatives Private Limited
Mr. Masakazu Osawa	Nominee Director	10138005	55 years	2-30-1,Matsubara, Setagaya-ku,Tokyo,1560043, Japan	22-May-23	NA
Mrs. Bina Singh	Director	01178506	76 years	46, 2nd Floor, Jor Bagh, New Delhi, 110003	02-Sep-08	• DMI Consumer Credit Private Limited • DMI Alternatives Private Limited

(b) ***Details of change in directors in the preceding three financial years and current financial year:***

No change in Directors of the company during the financial year 2020-2021.

No change in Directors of the company during the financial year 2021-2022.

Details of change in directors during the financial year 2022-2023 and financial year 2023-2024 till date are mentioned below:

NAME	DESIGNATION	DIN	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE	REMARKS
Mr. Tammir Amr	Nominee Director	07030832	05/03/2015	-	14/11/2022	-
Mr. Alfred Victor Mendoza	Nominee Director	08432874	14/11/2-22	-	-	-
Mr. Masakazu Oaswa	Nominee Director	10138005	22/05/2023	-	-	-

(c) ***Details of directors' remuneration, and such particulars of the nature and extent of their interests in the issuer (during the current year and preceding three financial years):***

(i) Remuneration payable or paid to a director by the issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis;

By/in the Issuer:

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE ISSUER (in INR, in Crore)				SHAREHOLDING/NO. OF SHARES IN THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
1.	Mr. Shivashish Chatterjee	5.64	2.63	2.41	4.50	0.14%
2.	Mr. Yuvraja Chanakya Singh	5.71	3.52	3.33	4.50	0.17%

By/in the subsidiaries of the Issuer: N.A.

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE SUBSIDIARIES OF THE ISSUER				SHAREHOLDING IN THE SUBSIDIARIES OF THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

By/in the associate of the Issuer:

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE ASSOCIATE COMPANIES OF THE ISSUER (in INR, in Crore)				SHAREHOLDING IN THE ASSOCIATE COMPANIES OF THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
1.	Mr. Yuvraja Chanakya Singh	7.31	9.00	11.25	13.50	-
2.	Mr. Shivashish Chatterjee	6.00	9.00	11.25	13.50	-

(ii) Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company;

Of the Issuer:

S. NO.	NAME OF THE DIRECTOR	DETAILS OF THE RELATIVE	DETAILS OF APPOINTMENT OF THE RELATIVE TO AN OFFICE OR PLACE OF PROFIT
1.	Shivashish Chatterjee	Paromita Chatterjee	Appointed as Consultant for brands and communication and human resources related services

Of the subsidiaries of the Issuer:

S. NO.	NAME OF THE DIRECTOR	DETAILS OF THE RELATIVE	DETAILS OF APPOINTMENT OF THE RELATIVE TO AN OFFICE OR

			PLACE OF PROFIT OF THE SUBSIDIARIES OF THE ISSUER
1.	NA	NA	NA

Of the associate companies of the Issuer:

S. NO.	NAME OF THE DIRECTOR	DETAILS OF THE RELATIVE	DETAILS OF APPOINTMENT OF THE RELATIVE TO AN OFFICE OR PLACE OF PROFIT OF THE ASSOCIATE COMPANIES OF THE ISSUER
1.	NA	NA	NA

(iii) Full particulars of the nature and extent of interest, if any, of every director:

A. in the promotion of the issuer company; or

Mr. Shivashish Chatterjee and Mr. Yuvraja Chankya Singh, Joint Managing Directors of the Company are involved in day-to-day operations of the Company.

B. in any immoveable property acquired by the issuer company in the two years preceding the date of the issue document or any immoveable property proposed to be acquired by it; or

N.A.

C. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed.

N.A.

(d) ***Contribution being made by the directors as part of the offer or separately in furtherance of such objects.***

N.A.

6.12 **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons**

N.A.

6.13 **Following details regarding the auditors of the Issuer:**

(a) ***Details of the auditor of the Issuer:***

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT
S. N. Dhawan & Co LLP	421 Udyog Vihar Phase IV, Gurugram	October 29, 2021

(b) ***Details of change in auditor for preceding three financial years and current financial year:***

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE
Walker Chandiok & Co LLP	11th Floor, Tower II, One International Center, SB Marg, Prabhadevi (W)	15-09-2020	25-10-2021	25-10-2021
S.R. Batliboi & Associates	14th Floor, The Ruby, 29 Senapati Bhagat Marg, Dadar (West), Mumbai	11-09-2019	03-07-2020	03-07-2020

6.14 **Details of the following liabilities of the Issuer, as at the end of the preceding quarter, or if available, a later date:**

(a) ***Details of outstanding secured loan facilities as at the end of the last quarter, i.e., September 30, 2023*:**

NAME OF LENDER	TYPE OF FACILITY	AMOUNT SANCTIONED (IN INR IN CRORES)	PRINCIPAL AMOUNT OUTSTANDING (IN INR IN CRORES)	REPAYMENT DATE/SCHEDULE	SECURITY	CREDIT RATING, IF APPLICABLE	ASSET CLASSIFICATION
Bank of Baroda	Term Loan ("**TL**")	50.00	18.75	16 quarterly instalments	133% of receivables	ICRA AA (Stable)	Standard
Bank of Baroda	TL	50.00	31.25	16 quarterly instalments	133% of receivables	ICRA AA (Stable)	Standard
Bank of Baroda	TL	100.00	66.67	12 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
Bank of Baroda	TL	100.00	83.33	12 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
Karnataka Bank	TL	20.00	5.33	11 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Bank of Maharashtra	TL	50.00	25.19	42 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
Bank of Maharashtra	TL	200.00	158.28	42 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
Bank of Maharashtra	TL	200.00	200.00	33 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
HDFC Bank	TL	80.00	20.00	8 Quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
HDFC Bank-3	TL	100.00	50.00	8 Quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
HDCF Bank-4	TL	100.00	50.00	6 Quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
HDFC Bank-5	TL	200.00	150.00	8 Quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
HDFC Bank -6	TL	300.00	300.00	12 Quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard

State Bank Of India	TL	100.00	46.67	15 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Karnataka Bank-2	TL	25.00	5.62	11 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Kotak Mahindra Bank Ltd.	TL	40.00	5.00	24 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
IndusInd Bank	TL	50.00	24.90	12 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
IndusInd Bank-2	TL	50.00	41.60	12 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
IndusInd Bank-3	TL	300.00	250.00	12 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Punjab National Bank	TL	50.00	22.70	35 monthly instalments	133% of receivables	ICRA AA (Stable)	Standard
South Indian Bank	TL	50.00	33.11	15 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Indian Bank	TL	75.00	46.87	16 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Indian Bank-2	TL	50.00	45.37	11 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
State Bank Of India-2	TL	200.00	133.33	15 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Karnataka Bank-3	TL	50.00	27.13	11 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Kotak Mahindra Bank Ltd.-2	TL	75.00	28.13	24 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
CSB	TL	50.00	28.99	12 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
CSB-2	TL	25.00	24.97	12 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
DCB	TL	25.00	20.39	11 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
Bandhan Bank	TL	50.00	42.59	45 monthly Instalment	125% of receivables	ICRA AA (Stable)	Standard
Bandhan Bank	TL	-	1.81	45 monthly Instalment	125% of receivables	ICRA AA (Stable)	Standard
Utkarsh Small Finance Bank	TL	30.00	22.70	37 monthly Instalment	125% of receivables	ICRA AA (Stable)	Standard
State Bank of India	TL	200.00	173.33	15 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Jammu & Kashmir	TL	50.00	49.93	14 quarterly Instalments	125% of receivables	ICRA AA (Stable)	Standard
Kotak Mahindra Bank	TL	100.00	89.49	24 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
Canara Bank	TL	100.00	99.93	14 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Axis Bank	TL	100.00	87.39	8 Quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard

TATA Capital	TL	50.00	47.22	36 monthly instalments	125% of receivables	ICRA AA (Stable)	Standard
Indian Overseas Bank	TL	50.00	49.95	14 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
Karnataka Bank	TL	25.00	24.99	11 quarterly instalments	125% of receivables	ICRA AA (Stable)	Standard
SMBC	Short term Facility	100.00	100.00	upto 3 months	125% of receivables	ICRA AA (Stable)	Standard
MUFG	Short term Facility	400.00	400.00	upto 6 months	125% of receivables	ICRA AA (Stable)	Standard
HDFC Bank WCDL/CC	WCDL	45.00	45.00	repayable on demand	125% of receivables	ICRA AA (Stable)	Standard
Kotak Bank\ WCDL	WCDL	123.00	-	NA	100% FD lien Marked	ICRA AA (Stable)	Standard
Kotak Mahindra Bank CC	CC	5.00	-	repayable on demand	125% of receivables	ICRA AA (Stable)	Standard
Kotak Mahindra Bank - OD	OD	77.00	-	NA	100% FD lien Marked	ICRA AA (Stable)	Standard
IndusInd Bank CC	CC	25.00	25.00	repayable on demand	125% of receivables	ICRA AA (Stable)	Standard
Indian Bank CC	CC	25.00	24.14	repayable on demand	125% of receivables	ICRA AA (Stable)	Standard
Karnataka Bank - OD	OD	5.00	-	repayable on demand	125% of receivables	ICRA AA (Stable)	Standard
Bank of Maharashtra OD	OD	0.25	-	repayable on demand	100% FD lien Marked	ICRA AA (Stable)	Standard
Axis Bank	CC	1.00	-	repayable on demand	125% of receivables	ICRA AA (Stable)	Standard
State Bank of India	OD	0.50	-	Repayable on demand	100% FD lien Marked	ICRA AA (Stable)	Standard
Bank of Baroda OD	OD	1.00	-	Repayable on demand	110% FD lien Marked	ICRA AA (Stable)	Standard
Bank of Baroda OD	OD	1.00	-	Repayable on demand	110% FD lien Marked	ICRA AA (Stable)	Standard

(b) ***Details of outstanding unsecured loan facilities as at the end of the last quarter, i.e., September 30, 2023*:**

NAME OF LENDER	TYPE OF FACILITY	AMOUNT SANCTIONED (IN INR Crores)	PRINCIPAL AMOUNT OUTSTANDING (IN INR Crores)	REPAYMENT DATE/SCHEDULE	CREDIT RATING, IF APPLICABLE
Kotak Mahindra Bank	Intraday Limit	20.00	-	NA	ICRA AA (Stable)

(c) ***Details of outstanding non-convertible securities as at the end of the last quarter, i.e., September 30, 2023, in the following format*:**

SERIES OF NCS	ISIN	TENOR / PERIOD OF MATURITY	COUPON	SANCTIONED AMOUNT (IN INR Crores)	OUTSTANDING AMOUNT (IN INR IN CRORES)	DATE OF ALLOTMENT	REDEMPTION DATE / SCHEDULE	CREDIT RATING	SECURED / UNSECURED	SECURITY
01/NCD /19-20	INE604 O08108	48 months	8.50%	717.20	488.16	20-02-2020	20-02-2024	NA	Unsecured	NA
02/NCD /19-20	INE604 O08124	48 months	9.50%	464.00	464.00	28-02-2020	28-02-2024	NA	Unsecured	NA
03/NCD /19-20	INE604 O08116	48 months	8.50%	13.50	13.40	12-03-2020	12-03-2024	NA	Unsecured	NA
04/NCD /22-23	INE604 O07167	24 months	8.75%	150.00	150.00	21-10-2022	21-10-2024	PP-MLD[ICRA]AA (Stable)	Secured	110%
05/NCD /23-24	DMI Special Opp Fund II	13 Months	9.00%	200.00	200.00	29-08-2023	29-09-2024	NA	Unsecured	NA

(d) ***Details of commercial paper issuances as at the end of the last quarter, i.e., September 30, 2023, in the following format: NA***

SERIES OF NCS	ISIN	TENOR / PERIOD OF MATURITY	COUPON	AMOUNT OUTSTANDING (IN INR)	DATE OF ALLOTMENT	REDEMPTION DATE / SCHEDULE	CREDIT RATING	SECURED / UNSECURED	SECURITY	OTHER DETAILS VIZ. DETAILS OF ISSUING AND PAYING AGENT, DETAILS OF CREDIT RATING AGENCIES
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(e) ***List of top ten holders of non-convertible securities in terms of value (in cumulative basis) as the end of the last quarter, i.e., September 30, 2023:***

SR. NO.	NAME OF HOLDERS	CATEGORY OF HOLDER	FACE VALUE OF HOLDING	HOLDING AS A % OF TOTAL OUTSTANDING NON-CONVERTIBLE SECURITIES OF THE ISSUER

1.	DMI INCOME FUND PTE. LTD.	Corporate	488.16	37.11%
2.	DMI INCOME FUND PTE. LTD.	Corporate	464.00	35.27%
3.	GANESHA FIXED INCOME AIF V C I C LIMITED	Corporate	13.40	1.02%
4.	DMI Special Opp Fund II	Trust	200.00	15.20%
5.	PRADIP BURMAN	Individual	9.90	0.75%
6.	POOJA BURMAN	Individual	9.90	0.75%
7.	KAMRAN BURMAN	Individual	9.90	0.75%
8.	EISHANA BURMAN	Individual	9.90	0.75%
9.	HINDUJA LEYLAND FINANCE LIMITED	Corporate	6.00	0.46%
10.	SURAJ NALIN	Individual	5.00	0.38%

(f) ***List of top ten holders of Commercial paper in terms of value (in cumulative basis) as at the end of the last quarter, i.e., September 30, 2023:*** **NA**

SR. NO.	NAME OF HOLDER	CATEGORY OF HOLDER	FACE VALUE OF HOLDING	HOLDING AS A % OF TOTAL COMMERCIAL PAPER OUTSTANDING OF THE ISSUER
1.	NA	NA	NA	NA

(g) ***Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors as at the end of the last quarter, i.e., September 30, 2023:*** N.A.

NAME OF PARTY (IN CASE OF FACILITY)/ NAME OF INSTRUMENT	TYPE OF FACILITY / INSTRUMENT	AMOUNT SANCTIONED/ ISSUED	PRINCIPAL AMOUNT OUTSTANDING	DATE OF REPAYMENT/ SCHEDULE	CREDIT RATING	SECURED / UNSECURED	SECURITY
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

6.15 **The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.**

S. NO.	NAME OF COUNTERPARTY	NATURE OF/RELATIONSHIP WITH COUNTERPARTY	WHETHER CORPORATE GUARANTEE OR LETTER OF COMFORT	AMOUNT OF CORPORATE GUARANTEE OR LETTER OF COMFORT (in INR in Crores)
1.	DMI Housing Finance Private Limited	Group company	Corporate Guarantee	379.93

6.16 **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:**

- **in whole or part,**
- **at a premium or discount, or**
- **in pursuance of an option or not.**

N.A.

6.17 **Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

S. NO.	PARTICULARS OF DISCLOSURE	DETAILS
1.	**Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by issuer**	**Lending Policy**: Please refer Section 10. **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc**: Please refer Section 10. **Classification of loans into several maturity profile denomination**: Please refer Section 10. **Aggregated exposure to top 20 borrowers**: Please refer Section 10. **Details of loans, overdue and classified as Non performing assets (NPA)**: Please refer Section 10.
2.	**Details of borrowings granted by issuer**	**Portfolio Summary of borrowings made by issuer**: Please refer Section 10. **Quantum and percentage of Secured vs. Unsecured borrowings**: Please refer Section 10.
3.	**Details of change in shareholding**	**Any change in promoters' shareholding in the Issuer during preceding financial year beyond the threshold prescribed by Reserve Bank of India**: Please refer Section 10.
4.	**Disclosure of Assets under management**	**Segment wise break up and type of loans**: Please refer Section 10.
5.	**Details of borrowers**	**Geographical location wise**: Please refer Section 10.
6.	**Details of Gross NPA**	**Segment wise**: Please refer Section 10.
7.	**Details of Assets and Liabilities**	**Residual maturity profile wise into several bucket**: Please refer Section 10.
8.	**Additional details of loans made by, Housing Finance Company**	N.A.

9.	**Disclosure of latest ALM statements to stock exchange**	Please refer Section 10.

6.18 **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year:**

N.A.

6.19 **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities/ commercial paper.**

N.A.

6.20 **Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the issue document against the promoter of the company:**

N.A.

6.21 **Details of default and non-payment of statutory dues for the preceding three financial years and current financial year**

N.A.

6.22 **Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares**

N.A.

6.23 **Details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the issuer**

N.A.

6.24 **Details of pending proceedings initiated against the issuer for economic offences, if any**

N.A.

6.25 **Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided**

(a) **List of related parties**

Nature of Relationship	Name of Related Parties
Holding company	DMI Limited
Entity having significant influence	Ganesha Fixed Income Limited
Subsidiaries	DMI Management Services Private Limited DMI Capital Private Limited

	Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)
Associate	DMI Alternatives Private Limited
Fellow subsidiaries	DMI Consumer Credit Private Limited DMI Housing Finance Private Limited
Key Managerial Personnel	Mr. Yuvraja Chanakya Singh - Joint Managing Director Mr. Shivashish Chatterjee - Joint Managing Director Mrs. Bina Singh - Director Mrs. Jayati Chatterjee - Director Mr. Gurcharan Das - Director Mr. Gaurav Burman - Director Mr. Tamer Amr - Director Mr. Nipender Kochhar - Director Mr. Jatinder Bhasin - Chief Financial Officer (upto 17 March 2021) Mr. Krishan Gopal - Chief Financial Officer (w.e.f. 18 March 2021) Mr. Sahib Pahwa - Company Secretary Mr. Alfred Mendoza – Nominee Director (w.e.f. 14 November 2022)
Relatives of KMP	Mrs. Mallika Singh Ms. Paromita Chatterjee
Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken	K2VZ, Partnership Firm DMI Alternative Investment Fund Quickwork Technologies Private Limited
Joint Venture	Ampverse DMI Private Limited

(b) **Transactions with related parties**

Name of related party	**Nature of transaction**	**FY 2020-2021 (in INR in millions)**	**FY 2021-2022 (in INR in millions)**	**FY 2022-2023 (in INR in millions)**	**FY 2023-2024 (Current year) (in INR in millions)**
DMI Limited	Transfer of Compulsory Convertible Debentures	-	-	-	-
	Issue of equity shares	9,419.31	-	-	-
DMI Housing Finance Private Limited	Cost share recovery	70.18	59.70	63.09	17.42
	Share based payment	2.16	0.70	12.45	0
	Interest on loan	20.78	-	-	-
	Repayment of loan	700.00	-	-	-
	Reimbursement of expense paid by related party on behalf of entity	-	3.67	4.00	0.28

DMI Management Services Private Limited	Cost share recovery	0.06	0.06	0.06	0.03
DMI Capital Private Limited	Cost share recovery	0.60	0.60	0.60	0.30
	Share based payment	-	-	0.81	-
DMI Alternative Investment Fund	Repayment of loan	800.00	-	-	-
	Interest expenses	23.75	-	-	-
DMI Alternatives Private Limited	Cost share recovery	33.46	60.70	88.21	-
	Share based payment	0.74	0.13	0.85	-
	Reimbursement of expense incurred on behalf of related party	-	5.49	1.34	-
	Other expenses				22.2
Ganesha Fixed Income Limited	Interest expenses	-	11.39	11.39	5.71
Appnit Technologies Private Limited	Cost share recovery	-	-	13.85	5.73
Quickwork Technologies Private Limited	Other expenses				7.19
Ampverse DMI Private Limited	Purchase of CCPS	-	-	-	131.2
	Other expenses	-	-	-	9.44
	Reimbursement of expense paid by related party on behalf of entity	-	-	1.65	-
	Other expenses	-	-	13.20	28.10
Mr. Sahib Pahwa	Loan / advance given	0.48	-	-	
	Interest income	0.05	0.03	-	-
	Remuneration	4.12	5.18	6.03	-
	Loan received back	0.09	0.51	-	-
Mrs. Bina Singh	Share Warrants expense	-	0.12	0.14	0.08
	Sitting fee	0.10	0.77	-	-
Mr. Yuvraja Chanakya Singh	Remuneration	57.10	35.20	42.56	24.88
	Post employment benefits	0.36	0.36	0.36	0.18
	Issue of equity shares	119.39	-	-	-
Mr. Shivashish Chatterjee	Remuneration	56.38	26.31	41.40	24.45
	Post employment benefits	0.36	0.36	0.36	0.18
	Issue of equity shares	119.39	-	-	-

Mrs. Jayati Chatterjee	Sitting fees	0.18	0.22	0.24	0.12
	Share Warrants expense	-	0.77	-	-
Mr. Gurcharan Das	Sitting fees	0.10	0.12	0.14	0.08
	Share Warrants expense	-	0.77	-	-
Mr. Nipender Kochhar	Sitting fees	0.16	0.22	0.24	0.12
	Share Warrants expense	-	0.77	-	-
Mr. Jatinder Bhasin	Remuneration	10.92	-	-	-
Mr. Krishan Gopal	Remuneration	0.67	9.35	10.69	-
K2VZ	Issue of equity shares	133.13	-	-	-
	Other expenses	-	1.08	5.81	-
Paromita Chatterjee	Consultancy Fee	-	0.70	1.19	0.59

(c) **Outstanding balances**

Name of related party	**Nature of transaction**	**FY 2020-2021 (in INR in millions)**	FY 2021-2022 **(in INR in millions)**	FY 2022-2023 **(in INR in millions)**	**FY 2023-2024 (Current year) (in INR in millions)**
Mr. Sahib Pahwa	Loan receivable	0.48	-	-	-
DMI Housing Finance Private Limited	ESOP payable	-	9.99	22.45	-
	Corporate Guarantee	-	4,329.99	3,878.97	3,799.33
DMI Alternatives Private Limited	ESOP	4.89	-	-	-
	ESOP recoverable		4.96	4.10	-
	Trade receivable	-	-	26.98	-
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	-	134.00	134.00	134
DMI Capital Private Limited	ESOP	-	9.99	22.45	-
	Trade Receivable	-	-	-	1.44
Ampverse DMI Private Limited	Investment in CCPS	-	-	-	131.2

Others:

- During the Year ended March 31, 2021, the Company has bought back certain non-convertible debentures from Mr. Sahib Pahwa for consideration of Rs 0.64 millions.
- During the Year ended March 31, 2021, the Company has bought back certain non-convertible debentures from DMI Housing Finance Private Limited for consideration of Rs 126.48 millions.

(d) **Disclosure pursuant to Paragraph A(2) of Schedule V read with Regulation 53(1)(f) of the LODR Regulations:**

There is no loan or advance given by the Company to either holding company or subsidiary companies.

6.26 **In case the issuer is a Non-Banking Finance Company (NBFC) and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:**

S. NO.	NAME OF THE BORROWER (A)	AMOUNT OF ADVANCES /EXPOSURES TO SUCH BORROWER (GROUP) (RS. CRORE) (B)	PERCENTAGE OF EXPOSURE (C)= B/TOTAL ASSETS UNDER MANAGEMENT
To be set out in the Key Information Document for the relevant issuance of Debentures.			

6.27 **In order to allow investors to better assess the issue, the following additional disclosures shall be made by the issuer in the issue documents: (i) A portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs. (ii) Quantum and percentage of secured vis-à-vis unsecured borrowings granted by NBFCs. (iii) Any change in promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the Reserve Bank of India from time to time.**

Please refer Section 10.

6.28 **Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.**

PARTICULARS	REFERENCING
Directors	To be set out in the Key Information Document for the relevant issuance of Debentures.
Auditors	To be set out in the Key Information Document for the relevant issuance of Debentures.
Bankers to issue	To be set out in the Key Information Document for the relevant issuance of Debentures.
Trustees	To be set out in the Key Information Document for the relevant issuance of Debentures.
Solicitors /Advocates	To be set out in the Key Information Document for the relevant issuance of Debentures.
Legal Advisors	To be set out in the Key Information Document for the relevant issuance of Debentures.
Lead Manager	To be set out in the Key Information Document for the relevant issuance of Debentures.
Registrar	To be set out in the Key Information Document for the relevant issuance of Debentures.
Lenders of the Issuer	To be set out in the Key Information Document for the relevant issuance of Debentures.
Experts	To be set out in the Key Information Document for the relevant issuance of Debentures.

6.29 **The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.**

The details of the Debenture Trustee and the consent letter from Debenture Trustee shall be set out in the Key Information Document for the relevant issuance of Debentures.

6.30 **If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

To be set out in the Key Information Document for the relevant issuance of Debentures.

6.31 **Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention.**

(a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:*** To be set out in the Key Information Document for the relevant issuance of Debentures.

(b) ***Procedure and time schedule for allotment and issue of securities should be disclosed****:* Please refer Section 9 and the Key Information Document for the relevant issuance of Debentures.

(c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration****:* To be set out in the Key Information Document for the relevant issuance of Debentures.

6.32 **Disclosures pertaining to wilful defaulter:** N.A.

(a) **The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter**:

(i) ***Name of the bank declaring as a wilful defaulter:*** N.A.

(ii) ***The year in which it was declared as a wilful defaulter:*** N.A.

(iii) ***Outstanding amount when declared as a wilful defaulter:*** N.A.

(iv) ***Name of the entity declared as a wilful defaulter:*** N.A.

(v) ***Steps taken, if any, for the removal from the list of wilful defaulters:*** N.A.

(vi) ***Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions:*** N.A.

(vii) ***Any other disclosure as specified by the Board***: N.A.

(b) **The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages**: N.A.

6.33 **Undertaking by the Issuer**: Please refer Section 7.1 and the Key Information Document for the relevant issuance of Debentures.

6.34 **Risk Factors**: Please refer Section 4 and the Key Information Document for the relevant issuance of Debentures.

6.35 **Attestation by Directors**: Please refer Section 7.3 and the Key Information Document for the relevant issuance of Debentures.

6.36 **Other details:**

(a) ***Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability:***

(i) It is hereby clarified that as on the Effective Date, pursuant to the Companies (Share Capital and Debenture) Rules, 2014, non-banking financial companies

registered with the RBI are exempted from the requirement to maintain a debenture redemption reserve ("**DRR**") in case of privately placed debentures.

(ii) The Issuer hereby agrees and undertakes that, if required under Applicable Law, it will create a DRR in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.

(iii) If during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR, the Issuer shall abide by such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee.

(iv) In addition to the foregoing, to the extent required by Applicable Law, the Issuer shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

(b) ***Issue/instrument specific regulations - relevant details (Companies Act, 2013, guidelines issued by the Reserve Bank of India, etc.):***

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, and other RBI guidelines and SEBI guidelines applicable to issuance of non-convertible debentures by NBFCs on a private placement basis.

(c) ***Default in Payment:***

Please refer the sub-sections named "*Default Interest Rate*" and "*Additional Disclosures (Default in Payment)*" of Section 8.1 (*Summary Terms*).

To be more particularly set out in the Key Information Document for the relevant issuance of Debentures.

(d) ***Delay in Listing:***

Please refer the section named "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" of Section 8.1 (*Summary Terms*) in relation to the listing requirements in respect of the Debentures and section named "*Additional Disclosures (Delay in Listing)*" of Section 8.1 (*Summary Terms*) in respect of the default interest in the event of delay in listing.

To be more particularly set out in the Key Information Document for the relevant issuance of Debentures.

(e) ***Delay in allotment of securities:***

(i) The Company shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements**.**

(ii) If the Company fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen)

calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iii) If the Company fails to repay the Application Money within the Repayment Period, then Company shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum, gross of withholding taxes, from the expiry of the Allotment Period.

(f) ***Issue details*:** Please refer Section 8.

(g) ***Application process*:** The application process for the Issue is as provided in Section 9 of this General Information Document read with the Key Information Document for the relevant issuance of Debentures.

(h) ***Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 but not contained in this schedule, if any*:** The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 shall be set out in the Key Information Document for the relevant issuance of Debentures.

(i) ***Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project***: To be set out in the Key Information Document for the relevant issuance of Debentures.

6.37 **Other matters and reports**

(a) **If the proceeds, or any part of the proceeds, of the issue of the debt securities are or is to be applied directly or indirectly:**

(i) in the purchase of any business; or

(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith,

the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof, a report made by a chartered accountant (who shall be named in the issue document) upon -

(A) the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and

(B) the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties, disclosures regarding**

(i) **the names, addresses, descriptions and occupations of the vendors;**

(ii) **the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;**

(iii) **the nature of the title or interest in such property proposed to be acquired by the company; and**

(iv) **the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:**

Provided that if the number of vendors is more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immoveable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/ payable should also be disclosed for each immovable property.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **If:**

(i) **the proceeds, or any part of the proceeds, of the issue of the debt securities are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and -**

(ii) **by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon –**

A. **the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and**

B. **the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(d) **The said report shall:**

(i) **indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and**

(ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in Section 6.37(c)(ii) above.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(e) **The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed**.

Lending policy: Please refer to Section 10.1.1.

Borrowing policy: Company is having well diversified lender base. The Company borrows funds from Banks (PSU/PVT), DFI, AIF, MF, FI, SFB, NBFcs etc by way of various instruments like term loan, working capital loan, NCD, CPs, DA, PTC etc based on the company's onward lending projections. The terms vary based on the type of the instruments, external and internal rating, tenure etc.

(f) **The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies are as follows**.

a. DMI Limited transferred 1,18,80,426 shares and 34,41,016 shares of Issuer on 14/08/2023 and 19/06/2023,respectively

b. Issuer transferred 9800 shares of DMI Alternatives Pvt Ltd on 30/09/2023

(g) **The matters relating to: (i) Material contracts; (ii) Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list**

The contracts and documents that are material in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures shall be set out in the Key Information Document for the relevant issuance of Debentures. Such material contracts may be inspected at the registered office of the Company between 10.00 am to 4.00 pm on Business Days.

(h) **Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document**.

Not Applicable.

Please refer note xiii of Auditor's Report on the Standalone Financial Statements for the Financial Year ended March 31, 2021, note xiii of Annexure A of the Auditor's Report on the Standalone Financial Statements for the Financial Year ended March 31, 2022, and note xiii of Annexure A of the Auditor's Report on the Standalone Financial Statements for the Financial Year ended March 31, 2023, which sets out the details of the related party transactions entered into by the Issuer.

(i) **The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks**.

N.A.

(j) **The details of:**

- **any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 (18 of 2013) or any previous companies law;**
- **prosecutions filed, if any (whether pending or not); and**
- **fines imposed or offences compounded,**

in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.

N.A.

(k) **The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer**

Kandivli Balaji Investment Private Limited ("**Kandivli**") availed a term loan of INR 40,00,00,000 from the Issuer for general corporate purposes. On 17 May, 2019, the account of Kandivli was declared non-performing asset as per guidelines of Reserve Bank of India. Kandivli sold assets secured in Issuer's favour without Issuer's consent. The Issuer has registered an FIR with Economic Offences Wing, New Delhi. The investigation is ongoing and charge sheet is yet to be filed.

6.38 **Summary Terms**: Please refer Section 8.1.

SECTION 7: UNDERTAKINGS AND DISCLOSURES BY THE ISSUER AND DIRECTORS

7.1 UNDERTAKING BY THE ISSUER

(a) Investors are advised to read the risk factors (set out in Section 4) carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities/Debentures have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of investors is invited to the statement of 'Risk factors' given on page number 16 under the section 'General Risks'.

(b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this issue document/General Information Document contains all information with regard to the Issuer and the Issue, that the information contained in the issue document/General Information Document is true and correct in all material aspects 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 make this issue document/General Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

(c) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/General Information Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

7.2 UNDERTAKING ON SECURITY

To be set out in the Key Information Document for the relevant issuance of Debentures.

7.3 ATTESTATION BY DIRECTORS

The directors of the Issuer hereby attest as follows:

(a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder.

(b) The compliance with the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

(c) The monies received under the offer shall be used only for the purposes and objects indicated in the issue document/General Information Document.

(d) Whatever is stated in this form/General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form/General Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(e) General Risk:

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 4 of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

On behalf of the directors of the Issuer:

Name: Shivashish Chatterjee
Designation: Jt. Managing Director

SECTION 8: TERMS OF THE ISSUE

8.1 SUMMARY TERMS

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	To be set out in the Key Information Document for the relevant issuance of Debentures.
Issuer	DMI Finance Private Limited
Type of Instrument	To be set out in the Key Information Document for the relevant issuance of Debentures.
Nature of Instrument (Secured or Unsecured)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Seniority (Senior or Subordinated)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Eligible Investors	As specified in Section 9.15 (*Eligible Investors*) read with the relevant Key Disclosure Document.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures: (a) the Issuer shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements ("**Listing Period**"); (b) the Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE; and (c) in the event there is any delay in listing of the Debentures beyond the Listing Period (i.e., beyond 3 (three) Business Days from the Issue Closing Date), the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the interest rate in respect of the Debentures set out in the Key Information Document for the relevant issuance of Debentures from the Deemed Date of Allotment until the listing of the Debentures is completed.
Rating of the Instrument	To be set out in the Key Information Document for the relevant issuance of Debentures.
Issue Size	To be set out in the Key Information Document for the relevant issuance of Debentures.
Minimum Subscription	To be set out in the Key Information Document for the relevant issuance of Debentures.
Option to retain oversubscription (Amount)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Objects of the Issue / Purpose for which there is requirement of funds	To be set out in the Key Information Document for the relevant issuance of Debentures.
In case the issuer is a NBFC and the objects of the issue entail loan to any	To be set out in the Key Information Document for the relevant issuance of Debentures.

entity who is a 'group company' then disclosures shall be made in the following format:	
Details of the utilization of the Proceeds	To be set out in the Key Information Document for the relevant issuance of Debentures.
Coupon/Dividend Rate	To be set out in the Key Information Document for the relevant issuance of Debentures.
Step Up/Step Down Coupon Rate	To be set out in the Key Information Document for the relevant issuance of Debentures.
Coupon/Dividend Payment Frequency	To be set out in the Key Information Document for the relevant issuance of Debentures.
Coupon/Dividend Payment Dates	To be set out in the Key Information Document for the relevant issuance of Debentures.
Cumulative / non cumulative, in case of dividend	To be set out in the Key Information Document for the relevant issuance of Debentures.
Coupon Type (Fixed, floating or other structure)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	To be set out in the Key Information Document for the relevant issuance of Debentures.
Day Count Basis (Actual/Actual)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Interest on Application Money	To be set out in the Key Information Document for the relevant issuance of Debentures.
Default Interest Rate	To be set out in the Key Information Document for the relevant issuance of Debentures.
Tenor	To be set out in the Key Information Document for the relevant issuance of Debentures.
Redemption Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Redemption Amount	To be set out in the Key Information Document for the relevant issuance of Debentures.
Redemption Premium/Discount	To be set out in the Key Information Document for the relevant issuance of Debentures.
Issue Price	To be set out in the Key Information Document for the relevant issuance of Debentures.
Discount at which security is issued and the effective yield as result of such discount	To be set out in the Key Information Document for the relevant issuance of Debentures.
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount	To be set out in the Key Information Document for the relevant issuance of Debentures.
Put Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Put Price	To be set out in the Key Information Document for the relevant issuance of Debentures.
Call Date	To be set out in the Key Information Document for the relevant issuance of Debentures.

Call Price	To be set out in the Key Information Document for the relevant issuance of Debentures.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Face Value	To be set out in the Key Information Document for the relevant issuance of Debentures.
Minimum subscription amount and in multiples thereafter	To be set out in the Key Information Document for the relevant issuance of Debentures.
Issue Timing	
1. Issue Opening Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
2. Issue Closing Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
3. Date of earliest closing of the issue, if any.	N.A.
4. Pay-in Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
5. Deemed Date of Allotment	To be set out in the Key Information Document for the relevant issuance of Debentures.
Settlement Mode of the Instrument	Please refer Section 9 below along with the Key Information Document for the relevant issuance of Debentures.
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/ redemption dates	To be set out in the Key Information Document for the relevant issuance of Debentures.
Record Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over	I. **SECURITY** To be set out in the Key Information Document for the relevant issuance of Debentures. II. **SPECIFIC DISCLOSURES** (a) **Type of security**: To be set out in the Key Information Document for the relevant issuance of Debentures. (b) **Type of charge**: To be set out in the Key Information Document for the relevant issuance of Debentures. (c) **Date of creation of security/ likely date of creation of security**: To be set out in the Key Information Document for the relevant issuance of

and above the coupon rate as specified in the Trust Deed and disclosed in the General Information Document	Debentures. (d) **Minimum security cover**: To be set out in the Key Information Document for the relevant issuance of Debentures. (e) **Revaluation**: To be set out in the Key Information Document for the relevant issuance of Debentures. (f) **Replacement of security**: To be set out in the Key Information Document for the relevant issuance of Debentures. (g) **Interest over and above the coupon rate**: To be set out in the Key Information Document for the relevant issuance of Debentures.
Transaction Documents	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the transaction documents executed for the relevant issuance of Debentures (including without limitation, the Debenture Trust Deed, the Debenture Trustee Agreement, the Debt Disclosure Documents, and any other document that may be designated as a Transaction Document by the Debenture Trustee), and "Transaction Document" means any of them.
Conditions precedent to Disbursement	To be set out in the Key Information Document for the relevant issuance of Debentures.
Conditions Subsequent to Disbursement	To be set out in the Key Information Document for the relevant issuance of Debentures.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer Section 8.2.6 below.
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV of the SEBI Debenture Trustees Master Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV of the SEBI Debenture Trustees Master Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer sections named "*Default Interest Rate*" and the Key Information Document for the relevant issuance of Debentures.
Provisions related to Cross Default	To be set out in the Key Information Document for the relevant issuance of Debentures.
Roles and Responsibilities of the Debenture Trustee	To be set out in the Key Information Document for the relevant issuance of Debentures.
Risk factors pertaining to the issue	Please refer Section 4 (*Risk Factors*).
Governing Law & Jurisdiction	To be set out in the Key Information Document for the relevant issuance of Debentures.
Business Day Convention	To be set out in the Key Information Document for the relevant issuance of Debentures.
Additional Disclosures (Security Creation)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Additional Disclosures (Default in Payment)	To be set out in the Key Information Document for the relevant issuance of Debentures.
Additional Disclosures (Delay in Listing)	In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, if there is any delay in listing of the Debentures beyond

	the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the interest rate in respect of the Debentures set out in the Key Information Document for the relevant issuance of Debentures from the Deemed Date of Allotment until the listing of the Debentures is completed.

Note:

a. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.

b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

c. While the debt securities are secured to the extent of hundred per cent. of the amount of principal and interest or as per the terms of issue document, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.

d. The issuer shall provide granular disclosures in their General Information Document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

8.2 **TERMS OF THE TRANSACTION DOCUMENTS**

8.2.1. **Representations and Warranties of the Issuer**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.2. **Financial Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.3. **Reporting Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.4. **Affirmative Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.5. **Negative Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6. **Events of Default**

8.2.6.1. ***Consequences and Remedies of an Event of Default***

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6.2. ***Events of Default***

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6.3. ***Notice on the Occurrence of an Event of Default***

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6.4. ***Additional obligations of the Debenture Trustee***

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.7. **Listing and Monitoring Requirements**

To be set out in the Key Information Document for the relevant issuance of Debentures.

SECTION 9: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this General Information Document, Application Form and other terms and conditions as may be incorporated in the Transaction Documents. The details of the application process set out in this Section 9 are applicable for each issuance of a tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, and shall be read with the relevant Key Information Document.

9.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely, however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

9.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

9.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed the Debenture Trustee to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

9.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

9.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

9.6 Modification of Debentures

Any Transaction Document may be modified or amended in accordance with the terms of the relevant Transaction Documents.

9.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

9.8 Notices

Any notice, in respect of the Debentures, may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

9.9 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be duly completed by the Applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. The Issuer will make the bidding announcement on the EBP Platform at least 1 (one) Business Day before initiating the bidding process in accordance with the EBP Requirements. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one-time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out herein below:

Details of size of issue including green shoe option, if any and a	To be set out in the Key Information Document for the relevant issuance of Debentures.

range within which green shoe may be retained (if applicable)	
Interest Rate Parameter	To be set out in the Key Information Document for the relevant issuance of Debentures.
Bid opening and closing date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Minimum Bid Lot	To be set out in the Key Information Document for the relevant issuance of Debentures.
Manner of bidding in the Issue	To be set out in the Key Information Document for the relevant issuance of Debentures.
Manner of allotment in the Issue	To be set out in the Key Information Document for the relevant issuance of Debentures.
Manner of settlement in the Issue	To be set out in the Key Information Document for the relevant issuance of Debentures.
Settlement Cycle	To be set out in the Key Information Document for the relevant issuance of Debentures.
Bid Start Time and End Time	To be set out in the Key Information Document for the relevant issuance of Debentures.
Pay-in date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Anchor Portion Details (if any)	To be set out in the Key Information Document for the relevant issuance of Debentures.

Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out in the section named "INSTRUCTIONS" of the Application Form, on or before 10:30 hours on the pay-in date.

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account set out in the Key Information Document for the relevant issuance of Debentures.

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Requirements and other Applicable Law.

9.10 **Eligible Investors should refer to the Operational Guidelines.**

The details of the Issue shall be entered on the EBP Platform by the Issuer in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The Issue will be open for bidding for the

duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform.

9.11 **Application Procedure**

The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Potential Investors may also be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons.

9.12 **Fictitious Applications**

All fictitious applications will be rejected. Each Eligible Investor shall provide a confirmation to the EBP that it is not using any software, algorithm, "Bots" or other automation tools, which would give unfair access for placing bids on the EBP Platform.

9.13 **Basis of Allotment**

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. The allotment and settlement amount for the bidders shall be determined in accordance with the EBP Requirements and the operational guidelines issued by the relevant EBP. The bids for the purposes allotment and settlement shall be arranged on a "price time priority" basis in accordance with the EBP Requirements. If two or more bids made by Eligible Investors have the same coupon/ price/spread and time, then allotment shall be done on a "pro rata" basis. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

If so required by the Issuer, within 1 (one) Business Day of completion of the allotment, to enable the Issuer to comply with the requirements applicable to it under the EBP Requirements, successful Applicants shall provide the following details (in the form specified below) to the Issuer:

Details of Investors to whom allotment has been made			
Name	**QIB/ Non-QIB**	**Category i.e. Scheduled Commercial Banks, MF, Insurance Company, Pension Fund, Provident Fund, FPI, PFI, Corporate, Others**	**Amount invested (in Rs. Crore)**

9.14 **Payment Instructions**

The Application Form should be submitted directly. The entire amount in respect of the Debentures is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 9.9 above.

9.15 **Eligible Investors**

As prescribed in the EBP Requirements, "Qualified Institutional Buyers" or "QIBs" (as defined in the EBP Requirements) and non-QIBs authorized by an issuer to participate on an issuer on the EBP Platform are eligible participants (i.e., bidders) on an EBP Platform to participate in a particular issue on the EBP Platform. In furtherance of the above, to the extent applicable, the categories of Investors set out in the Key Information

Document for the relevant issuance of Debentures ("**Eligible Investors**"), when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them and by completing the participation/nodding requirements prescribed for the EBP Platform and/or by submitting all the relevant documents along with the Application Form.

By participating/bidding in the EBP Platform, each Eligible Investor represents and confirms that it has completed all enrollment and "know-your-customer" verification and other requirements prescribed under the EBP Requirements in the manner prescribed in the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Investors, who are registered on the EBP Platform and are eligible to make bids for the Debentures of the Issuer and to whom allocation is to be made by Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Requirements and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Requirements) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures. The Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, nor is the Issuer required to check or confirm the above.

Hosting of this Placement Memorandum on the website of the BSE/EBP should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the Placement Memorandum has been hosted only as this is stipulated under the SEBI Debt Listing Regulations read with the EBP Requirements. Eligible Investors should check their eligibility before making any investment.

All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

9.16 Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the relevant details (such as Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc.), in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

9.17 Procedure for Applying for Dematerialised Facility

(a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.

(b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

(c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.

(f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

9.18 **Depository Arrangements**

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

9.19 **List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

9.20 **Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor(s) and the tax exemption certificate/document of the Investor(s), if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of

all the authorized signatories must also be lodged along with the submission of the completed Application Form.

9.21 **Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(a) SEBI registration certificate
(b) Resolution authorizing investment and containing operating instructions
(c) Specimen signature of authorized signatories

9.22 **Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

(a) Memorandum and Articles of Association or other constitutional documents
(b) Resolution authorising investment
(c) Certified true copy of the Power of Attorney to custodian
(d) Specimen signatures of the authorised signatories
(e) SEBI registration certificate (for Mutual Funds)
(f) Copy of PAN card
(g) Application Form (including EFT/RTGS details)

9.23 **Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

9.24 **Succession**

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

9.25 **Mode of Payment**

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

9.26 **Effect of Holidays**

Please refer Section 8.1 (*Summary Terms*).

9.27 **Tax Deduction at Source**

To be set out in the Key Information Document for the relevant issuance of Debentures.

9.28 **Allotment**

The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

9.29 **Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investors from the specified Deemed Date of Allotment. The Deemed Date of Allotment will be set out in the Key Information Document for the relevant issuance of Debentures.

9.30 **Record Date**

The Record Date will be set out in the Key Information Document for the relevant issuance of Debentures.

9.31 **Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

9.32 **Interest on Application Money**

Please refer Section 8.1 (*Summary Terms*).

9.33 **PAN Number**

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

9.34 **Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this General Information Document has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is

only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

SECTION 10: SPECIFIC DISCLOSURES REQUIRED FROM NBFCs

10.1 **Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities in last three years, including details regarding the following:**

10.1.1. **Lending policy: Should contain overview of origination, risk management, monitoring and collections:**

Origination / Sourcing	The Issuer has well established origination channels and defined customer acquisition strategy in line with its lending model for different categories of customers served by the Issuer. As regards consumer loans, such loans are sourced as follows: - ● Channel Partners or Sourcing Partners ● Direct Sourcing through employees or referrals ● Loans to existing customer base Channel Partners sourcing the applications are required to be empaneled with the Issuer for the purpose. These partners would be paid sourcing fees or as per the arrangement for all loans approved and disbursed. As regards non-consumer i.e. corporate loans, the Issuer finances corporates (Real Estate and Non-Real Estate) needing a flexible and quick access to capital. The Issuer has adopted credit policies with respect to each of its products. These credit policies are duly adopted by the Board and details of the various parameters applicable for lending in each of the products.
Risk Management and Monitoring	The Issuer has a well defined Risk Management program in line with the Risk Management Policy duly adopted by the Board wherein the probability of occurrence of various risks are defined and procedures to identify and mitigate them are provided for. The responsibility for risk management is spread across the organisations. The Board of the Issuer is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the Audit Committee and reviewed by the full Board. The Audit Committee assists the Board in overseeing the group's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks. In addition, the Issuer monitors the performance of the credit portfolio to assess the need for intervention, if any to secure the repayment of the loans. In case of Corporate Loans (Real Estate), the Issuer in order to reduce its risks may also down-sell the Non-Convertible Debentures to individuals/entities including related parties with requisite approvals as per applicable laws/regulations. In case of Corporate Loans (Non-Real Estate), the Issuer in order to reduce its risks also down-sell the Non-Convertible Debentures or Optionally Convertible Debentures or Compulsory Convertible Debentures to individuals/entities including related parties with requisite approvals as per applicable laws/regulations.

Collection	The Issuer has a well-defined Collection Policy providing for Standard Operating Procedures for managing its collection activities. The standard collection process followed by the Issuer's collection team is as under: • Allocation logic is decided every month based on the collection strategy formulated by the Collection Strategy Manager and/or Collection Head of the Issuer. • Delinquent accounts are assigned to Tele-calling units and external collectors is decided by the Regional Collection Manager(s) as per the allocation logic approved by the Collections Head. • The Issuer encourages the agencies and Customers to make payments only through digital payment modes or the payment links provided by the Issuer to its customers. • Cash collection are avoided, the borrower can be diverted to the channels developed to collect cash. If due to any reason, the borrower insists on cash payment, it needs to be collected -through Mobility module and e-receipt are to be issued. • The Non-contactable portfolio in Bucket 1 up-to an extent of 25% can be allocated for Field follow-up, The Regional collections managers can increase the said referral percentage with specific approval from Collections Head. Bucket 2 onwards cases to be referred for field follow-up. This may change time to time as per the collection strategy approve by Collections Head. • For certain delinquent accounts that are deemed to be Fraud, Collection Managers report such cases to Fraud Control Team for further investigation. Following payment modes and interfaces that are enabled for the customers to make the payments via digital modes are: a) Automated Payment Modes b) NACH Automated recurring payment registration c) e-mandate Alternate Payment Modes of other Platforms

10.1.2. **Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.:**

N.A.

10.1.3. **Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer Section 10.3.

10.1.4. **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time:**

Mar-23	All amt in INR in lakhs

Name of the Borrower	Type of Borrower	Total Sanctioned Loan Amount	Disbursed Loan Amount	Un-disbursed Loan Amount	Total Principal Outstanding Amount	Status of Account	Amount Outstanding
Flash Electronics India Pvt Ltd	Corporate	7,500.00	7,500.00	-	7,500.00	Standard	15,600.00
Saha Estate Developers Private Limited	Corporate	13,000.00	8,050.00	4,950.00	8,071.56	Standard	13,020.80
RCCIVL RKIPL LLP	Corporate	17,000.00	15,350.00	1,650.00	10,608.14	Standard	12,866.20
Biorad Medisys Private Limited	Corporate	9,000.00	9,000.00	-	9,000.00	Standard	9,005.92
Gagan Lifespace	Corporate	13,050.00	11,871.04	1,178.96	7,612.21	Sub-Standard	8,794.52
Mahagun Real Estate Private Limited	Corporate	20,000.00	10,600.00	9,400.00	8,387.67	Standard	8,746.45
Square Infrastructures Private Limited	Corporate	6,480.00	6,480.00	-	6,443.07	Sub-Standard	7,110.28
Kusum Ansal	Corporate	4,100.00	4,027.89	72.11	5,178.90	Standard	5,447.20
KT & LK INFRA LLP	Corporate	12,500.00	5,356.68	7,143.32	5,356.68	Standard	5,394.07
AMBIT BUILDWELL PRIVATE LIMITED	Corporate	10,000.00	7,450.00	2,550.00	4,491.92	Standard	4,527.40
Fantasy Buildwell Private Limited	Corporate	8,000.00	8,000.00	-	4,045.63	Standard	4,381.28
KW Homes Private Limited	Individual	8,390.00	8,200.00	190.00	3,772.06	Standard	4,332.88
Kandivali Balaji Investments Pvt. Ltd.	Corporate	4,000.00	3,988.50	11.50	3,797.02	Sub-Standard	3,853.83
Moraj Infratech Private Limited	Corporate	9,000.00	3,600.00	5,400.00	3,600.00	Standard	3,625.88
Panchsheel Buildtech Pvt. Ltd.	Corporate	6,100.00	3,550.00	2,550.00	3,550.00	Standard	3,575.27
BKS Galaxy Realtors Private Limited	Corporate	12,950.00	3,545.00	9,405.00	3,545.00	Standard	3,560.24
Raheja Icon Entertainment Private Limited	Corporate	6,800.00	6,800.00	-	3,389.98	Sub-Standard	3,519.88

E V Homes Constructions Private Limited	Corporate	12,000.00	3,475.00	8,525.00	3,475.00	Standard	3,498.89
RCC E-Construct Private Limited	Corporate	3,500.00	2,350.00	1,150.00	2,350.00	Standard	2,953.63
P dot G Constructions Private Limited	Corporate	2,045.62	2,045.62	-	2,045.62	Standard	2,800.00

10.1.5. **Details of loans, overdue and classified as non-performing in accordance with RBI stipulations:**

Classification	As on 31st March 23 (Amount in INR millions)
Standard	72,400.84
NPA	2,706.39
Total	75,107.23

Please also refer Section 10.3.

10.2 **In order to allow investors to better assess the debt securities issued by the NBFC/ HFC, the following disclosures shall also be made by such Issuer:**

10.2.1. **A portfolio summary with regard to industries/ sectors to which borrowings have been made:**

Segment Wise Asset Profile	Mar-23
Corporate	1,599.32
Consumer	5,911.40
Total Portfolio	**7,510.72**

10.2.2. **NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

Particulars (in Rs million)	Mar-23	Mar-22	Mar-21
Stage III Loans	2,706.39	1,196.27	1,423.55
Provision	1,605.12	1,030.35	887.72
Net NPA	1,101.27	165.92	535.83

10.2.3. **Quantum and percentage of secured vis-à-vis unsecured borrowings made:**

Borrowings	Mar-23 (INR in Crores)
Secured	2,587.34
Unsecured	1,485.30

Total	**4,072.64**

10.2.4. **Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:**

N.A.

10.3 **Classification of loans/ advances given according to:**

10.3.1. **Type of loans:**

Details of types of loans

S. No.	Type of loans	INR, Millions (as on March 2023)
1	Secured	12128.50
2	Unsecured	59164.39
	Total assets under management (AUM) *^	71292.89

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts);*
^Issuer is also required to disclose off balance sheet items;

10.3.2. **Denomination of loans outstanding by loan-to-value:**

Details of LTV

Corporate		**Mar-23**
S. No.	**LTV (at the time of origination)**	**Percentage of Corporate AUM (as on Mar 2023)**
1.	Up to 40%	23.23%
2.	40-50%	65.53%
3.	50-60%	6.39%
4.	60-70%	0%
5.	70-80%	0%
6.	80-90%	0%
7.	>90	4.85%
	Total	100%

Retail LTV not applicable

10.3.3. **Sectoral exposure:**

Details of sectoral exposure

		Mar-23
S. No.	**Segment-wise break-up of AUM**	**Percentage of AUM**

1.	**Retail**	
(A)	Mortgages (home loans and loans against property)	
(B)	Gold loans	
(C)	Vehicle finance	
(D)	MFI	
(E)	MSME	0.74%
(F)	Capital market funding (loans against shares, margin funding)	
(G)	Others	78.92%
2.	**Wholesale**	
(A)	Infrastructure	
(B)	Real estate (including builder loans)	14.35%
(C)	Promoter funding	
(D)	Any other sector (as applicable)	
(E)	Others	5.99%
	Total	100.00%

10.3.4. **Denomination of loans outstanding by ticket size*:**

Details of outstanding loans category wise

S. No.	Ticket size (at the time of origination)	Percentage of Corporate AUM
1.	Up to INR 2 lakh	0
2.	INR 2-5 Lakh	0
3.	INR 5-10 Lakh	0
4.	INR 10-25 Lakh	0
5.	INR 25-50 Lakh	0.02%
6.	INR 50 Lakh - 1 crore	0.07%
7.	INR 1-5 crore	1.03%
8.	INR 5-25 crore	21.28%
9.	INR 25-100 crore	62.49%
10.	> INR 100 crore	15.11%
	Total	100.00%

Retail		**Mar-23**
S. No.	**Ticket size (at the time of origination)**	**Percentage of Retail AUM***
1.	Up to INR 2 lakh	77.86%
2.	INR 2-5 Lakh	14.27%
3.	>5 Lakh	2.35%

* Total Retail AUM includes PTC investments of Rs. 351.53 Crores

** Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

10.3.5. **Geographical classification of borrowers:**

Top 5 states borrower wise

Corporate Portfolio (Mar-23)		
S. No.	**Top 5 States**	**Percentage of Corporate AUM**
1.	Delhi	44.68%
2.	Maharashtra	31.35%
3.	Haryana	13.83%
4.	Uttar Pradesh	4.07%
5.	Karnataka	2.92%
	Total	96.85%

Retail Portfolio (Mar-23)		
S. No.	**Top 5 States**	**Percentage of Retail AUM***
1.	Uttar Pradesh	16.32%
2.	Maharashtra	10.96%
3.	Bihar	9.29%
4.	Karnataka	6.95%
5.	Tamil Nadu	6.13%
	Total	49.64%

- * Total Retail AUM includes PTC investments of Rs. 351.53 Crores

10.3.6. **Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:**

Movement of gross NPA

Movement of gross NPA*	**INR, Crore (as of Mar-2023)**
Opening gross NPA	119.62
- Additions during the year	167.72
- Reductions during the year	16.71
Closing balance of gross NPA	270.63

**Please indicate the gross NPA recognition policy (Day's Past Due): 90 days*

Movement of provisions for NPA

Movement of provisions for NPA	**INR, Crore (as of Mar-2023)**
Opening balance	103.02
- Provisions made during the year	384.38
- Write-off/ write-back of	326.91

excess provisions	
Closing balance	160.50

10.3.7. **Segment-wise gross NPA:**

Segment wise gross NPA

S. No.	Segment-wise gross NPA	Gross NPA (%)(as of Mar-2023)
1.	**Retail**	-
(A)	Mortgages (home loans and loans against property)	-
(B)	Gold loans	-
(C)	Vehicle loans	-
(D)	MFI	-
(E)	MSME	-
(F)	Capital market funding (loans against shares, margin funding)	-
(G)	Others	**0.38%**
2.	**Wholesale**	-
(A)	Infrastructure	-
(B)	Real estate (including builder loans)	**22.54%**
(C)	Promoter funding	-
(D)	Any other sector (as applicable)	-
(E)		
(F)	Others	6.96%
	Total	3.60%

10.3.8. **Residual maturity profile of assets and liabilities (in line with the RBI format):**

Residual maturity profile of assets and liabilities (INR in Lakhs)

Category	Up to 30/31 days	>1 month - 2 months	>2 months - 3 months	>3 months - 6 months	>6 months - 1 year	>1 year - 3 years	>3 years - 5 years	> 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	55,714.72	87,023.74	1,09,240.29	2,06,707.86	2,76,070.61	3,37,183.46	29,031.61	6,494.80	**11,07,467.08**
Investments	2,324.01	2,206.68	2,249.46	6,953.77	13,494.44	19,463.33	0.00	10,114.73	**56,806.43**
Borrowings	23,798.43	11,190.23	18,593.58	1,73,914.04	94,156.29	1,72,540.66	9,414.44	0.00	**5,03,607.67**
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-	-

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities*

10.4 **Details of borrowings granted by issuer**

10.4.1. **Portfolio Summary of borrowings made by issuer**

Segment Wise Asset Profile	Mar-23
Corporate	1,599.32
Consumer	5,911.40

Total Portfolio	**7,510.72**

10.4.2. **Quantum and percentage of secured vs. unsecured borrowings**

S. No.	Type of loans	INR, Millions (as on March 2023)
1	Secured	12128.50
2	Unsecured	59164.39
	Total assets under management (AUM) *^	71292.89

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts);*
^Issuer is also required to disclose off balance sheet items;

10.5 **Disclosure of latest ALM statements to stock exchange:**

N.A.

SECTION 11: DECLARATION

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the offer shall be used only for the purposes and objects indicated in this General Information Document.

D. The Issuer has complied with, and nothing in the General Information Document is contrary to, the provisions of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder.

I am authorized by the board of directors of the Issuer *vide* resolution numbers 10 and 04 dated February 14, 2023 and November 17, 2023 to sign this General Information Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this General Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this General Information Document.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this General Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this General Information Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this General Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For **DMI FINANCE PRIVATE LIMITED**

Authorised Signatory

Name: Shivashish Chatterjee
Title: Jt. Managing Director
Place: New Delhi
Date: 16 November 2023

ANNEXURE I: FINANCIAL STATEMENTS OF ALONG WITH AUDIT REPORTS, SCHEDULES, FOOTNOTES, SUMMARY ETC.

ATTACHED SEPARATELY

ANNEXURE II: DISCLOSURES PURSUANT TO THE SEBI DEBENTURE TRUSTEES MASTER CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

(i) **Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(ii) **Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iii) **Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(f) **In case of personal guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. relationship with the Issuer:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(ii) **Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iii) **List of assets of the guarantor including undertakings/ consent/ NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(v) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. holding/ subsidiary/ associate company etc**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(ii) **Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(v) **Impact on the security in case of restructuring activity of the guarantor:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(vi) **Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(viii) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(h) **In case of any other contractual comforts/ credit enhancements provided for or on behalf of the issuer, it shall be required to be legal, valid and enforceable at all times, as affirmed by the issuer. In all other respects, it shall be dealt with as specified above with respect to guarantees**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(i) **In case securities (equity shares, etc.) are being offered as security then a holding statement from the depository participant along with due pledge of such securities in favour of Debenture Trustee in the depository system shall be ensured:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(j) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(k) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(l) **Declaration**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(m) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(n) **Details of security to be created**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(o) **Process of due diligence carried out by the debenture trustee**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(p) **Due diligence certificates as per the format specified in the SEBI Debenture Trustees Master Circular and in the Debt Listing Regulations**: To be set out in the Key Information Document for the relevant issuance of Debentures.

ANNEXURE III: IN-PRINCIPLE APPROVAL FROM BSE

ATTACHED SEPARATELY

ANNEXURE IV: SHAREHOLDING PATTERN

List of Shareholders of DMI Finance Private Limited as on September 30, 2023

S. No.	Name of the Shareholder	Number of Shares	Amount	% holding of Paid Up Capital	Listed/Unlisted
1	DMI Limited	53,52,11,045	5,35,21,10,450	72.08%	Unlisted
2	NIS Ganesha S.A.	6,47,35,441	64,73,54,410	8.72%	Unlisted
3	Shivashish Chatterjee & Yuvraja Chanakya Singh (K2VZ Partnership Firm)	5,73,15,400	1,62,21,386	0.22%	Unlisted
4	DMI Income Fund Pte. Ltd	2,10,47,255	21,04,72,550	2.83%	Unlisted
5	Windy Investment Private Limited	1,39,76,517	13,97,65,170	1.88%	Unlisted
6	Ganesha Direct Limited	1,04,91,852	10,49,18,520	1.41%	Unlisted
7	Anuj Malhotra	33,46,577	3,34,65,770	0.45%	Unlisted
8	Gaurav Burman (Windy Investment Partnership Firm)	33,65,005	3,36,50,050	0.45%	Unlisted
9	Yuvraja Chanakya Singh	13,11,221	1,31,12,210	0.18%	Unlisted
10	Rezayat Trading Co.	12,16,569	1,21,65,690	0.16%	Unlisted
11	Shivashish Chatterjee	10,53,340	1,05,33,400	0.14%	Unlisted
12	Sumitomo Mitsui Trust Bank Limited	94,82,251	9,48,22,510	1.28%	Unlisted
13	360 One Investment Adviser and Trustee Services Limited (Trustee to Jindal Family Private Trust)	9,87,014	98,70,140	0.13%	Unlisted
14	Bina Singh	2,44,918	24,49,180	0.03%	Unlisted
15	Pavninder Singh	2,69,410	26,94,100	0.04%	Unlisted
16	Kim Kanishka Das	1,53,152	15,31,520	0.02%	Unlisted
17	Mallika Singh	57,224	5,72,240	0.01%	Unlisted
18	Amicus Corp	8,377	83,770	0.00%	Unlisted
19	Sanchit Jain	26,126	2,61,260	0.00%	Unlisted
20	Pramod Chowdhary	11,425	1,14,250	0.00%	Unlisted
21	Ruchi Bhargava	37,190	3,71,900	0.01%	Unlisted
22	MUFG Bank Limited	7,38,30,443	73,83,04,430	9.94%	Unlisted
	Total paid up capital	**79,81,77,752**	**7,42,48,44,906**	**100.00%**	

Annexure -I

S.N. Dhawan & CO LLP
Chartered Accountants

2nd Floor,
51-52, Udyog Vihar Phase IV,
Gurugram-122016,
Haryana,India

Tel: +91 124 481 4444

Independent Auditor's Limited review report on unaudited quarterly and year to date Standalone Financial Results of DMI Finance Private Limited pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of DMI Finance Private Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of DMI Finance Private Limited ("the Company") for the quarter ended 30 September 2023And year to date results for the period 1 April 2023 To 30 September 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ("the SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued thereunder; Reserve Bank of India guidelines, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, assets classification, provisioning and other related matters.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Manish

S. N. DHAWAN & CO. LLP ★ Chartered Accountants ★

Manish Surana
Partner
Membership No.: 503812
UDIN: 23503812BGYOYQ6375

Place: Gurugram
Date: 03 November 2023

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Standalone Statement of Assets and Liabilities as at Sep 30, 2023
(All Amounts in Rs. in million, except for share data unless stated otherwise)

Particulars	As at Sep 30,2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	5277.70	5,628.39
Bank balance other than cash and cash equivalents	742.12	560.10
Trade receivables	17.05	308.05
Loans	101074.50	67,331.33
Investments	8391.33	8,465.14
Other financial assets	1970.23	1,089.55
Total financial assets	**1,17,472.93**	**83,382.56**
Non financial assets		
Current tax assets (net)	305.80	185.78
Deferred tax assets (net)	1461.06	1,127.16
Property, plant and equipment	136.66	140.53
Capital work in progress	-	-
Intangible assets under development	9.86	8.78
Right of use asset	170.05	196.35
Other intangible assets	20.27	21.66
Other non financial assets	112.76	165.66
Total non financial assets	**2,216.46**	**1,845.92**
Assets held for sale	75.00	75.00
TOTAL ASSETS	**1,19,764.39**	**85,303.48**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
A) Trade payables		
(i) total outstanding dues of micro and small enterprises	10.59	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises	2,049.07	1,133.20
B) Other payables	-	-
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	528.75	525.06
Debt securities	13,145.43	16,837.91
Borrowings (other than Debt Securities)	37,196.54	23,888.51
Lease liabilities	215.88	242.29
Other financial liabilities	348.68	283.98
Total financial liabilities	**53,494.94**	**42,919.92**
Non financial liabilities		
Provisions	108.85	96.35
Other non-financial liabitilies	179.05	226.04
Total non financial liabilities	**287.90**	**322.39**
Equity		
Equity share capital	7424.84	6,567.75
Other equity	58556.71	35,493.42
	65,981.55	42,061.17
TOTAL LIABILITIES AND EQUITY	**1,19,764.39**	**85,303.48**

S. N. DHAWAN & CO. LLP Chartered Accountants

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Statement of unaudited standalone financial results for the quarter and half year ended Sep 30, 2023
(All Amounts in Rs. in million, except for share data unless stated otherwise)

Particulars	For the quarter ended Sep 30, 2023	For the quarter ended June 30, 2023	For the quarter ended Sep 30, 2022	For the half year ended Sep 30, 2023	For the half year ended Sep 30, 2022	For the year ended March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
Interest income	5977.16	4939.37	4,098.56	10,916.53	7,307.48	15,969.48
Fees and commission income	144.75	116.59	40.99	261.34	66.78	201.74
Net gain on fair value changes	93.31	191.72	215.09	285.03	277.41	197.60
Total revenue from operations	6,215.22	5,247.68	4,354.64	11,462.90	7,651.67	16,368.82
Other income	35.54	20.75	40.10	56.29	81.87	196.24
Total income	6,250.76	5,268.43	4,394.74	11,519.19	7,733.54	16,565.06
Expenses						
Finance costs	938.74	845.08	780.52	1,783.82	1,412.71	3,018.66
Fees and commission expense	360.24	377.83	336.39	738.07	530.69	1,329.74
Impairment on financial instruments	2093.22	1,517.54	1,393.56	3,610.76	2,215.42	4,012.20
Employee benefits expense	410.97	417.01	322.90	827.98	598.34	1,235.22
Depreciation, amortization and impairment	27.94	25.80	27.49	53.74	50.75	108.20
Other expenses	895.75	735.69	601.41	1,631.44	1,078.91	2,482.46
Total expenses	4,726.86	3,918.95	3,462.27	8,645.81	5,886.82	12,186.48
Profit before tax	1,523.90	1,349.48	932.47	2,873.38	1,846.72	4,378.58
Tax expense:						
(1) Current tax	699.69	366.14	401.36	1,065.83	779.34	1,520.76
(2) Deferred tax	(308.36)	(24.20)	(156.86)	(332.56)	(294.76)	(382.34)
Income Tax Expense	391.33	341.94	244.50	733.27	484.58	1,138.42
Net profit after tax	1,132.57	1,007.54	687.97	2,140.11	1,362.14	3,240.16
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
(I) Re-measurement gains on gratuity	0.00	-	-	-	-	5.53
(II) Net gain/loss on fair value of equity instruments through other comprehensive income	-9.97	4.65	(0.71)	(5.32)	40.50	227.72
Income tax relating to above	2.51	(1.17)	0.18	1.34	(10.19)	(58.71)
Subtotal (a)	(7.46)	3.48	(0.53)	(3.98)	30.31	174.54
b) Items that will be reclassified to profit or loss						
(I) Gain/(loss) on Fair Value changes	-	-	-	-	-	-
Income tax relating to above	-	-	-	-	-	-
Subtotal (b)	-	-	-	-	-	-
Total other comprehensive income (a+b)	(7.46)	3.48	(0.53)	(3.98)	30.31	174.54
Total comprehensive income	1,125.11	1,011.02	687.44	2,136.13	1,392.45	3,414.70
Paid-up equity share capital (face value of Rs. 10 per equity share)						6,567.75
Other equity						35,493.42
Earnings per share (EPS)*						
- Basic (amount in Rs.)	1.53	1.38	0.97	2.91	1.91	4.93
- Diluted (amount in Rs.)	1.51	1.36	0.95	2.88	1.89	4.86

*EPS for the quarter ended Sep 30,2023 , Jun 30,2023, Sep 30, 2022 and half year ended Sep 30,2023 and Sep 30,2022 are not annualized.

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DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Statement of Standalone Cash Flows for the half year ended Sep 30, 2023
(All Amount in Rs. in millions, unless otherwise stated)

	Half year ended Sep 30, 2023	Half year ended Sep 30, 2022
A Cash flow from operating activities:		
Profit before tax	**2,873.38**	**1,846.72**
Adjustments for		
Depreciation and amortisation	53.74	50.75
Net gain on fair value changes	(285.03)	(277.41)
Impairment on financial instruments	3,610.76	2,215.42
Interest expense for leasing arrangements	11.57	13.44
Effective interest rate adjustment for financial instruments	-	-
Asset held for sale written off	-	-
Dividend income	-	-
Employee stock option/share warrant expense	77.97	81.66
Operating profit before working capital changes	**6,342.39**	**3,930.58**
Changes in working capital		
(Increase) in financial and other assets	(37,848.85)	(18,184.99)
Increase in financial and other liabilities	985.88	604.48
Decrease in non financial assets	29.27	19.24
Increase in non financial liabilities	(34.49)	86.84
Total of changes in working capital	**(36,868.19)**	**(17,474.43)**
Direct taxes paid (net of refunds)	(1,185.85)	(629.37)
Net cash flow generated from / (used in) operating activities (A)	**(31,711.65)**	**(14,173.22)**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(23.26)	(43.88)
Purchase of investment	(45,742.17)	(35,129.99)
Sale of investment	46,000.93	41,423.79
Dividend income	-	
Movement of fixed deposits (net)	(182.02)	(953.93)
Net cash flow from / (used in) investing activities (B)	**53.48**	**5,295.99**
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	21,729.91	
Receipt of upfront money on share warrant	-	0.22
Proceeds from borrowings (other than debt securities)	22,432.35	11,276.70
Repayment of borrowings (other than debt securities)	(9,124.32)	(3,168.98)
Proceeds from debt securities	2,000.00	-
Repayment of debt securities	(5,692.48)	-
Lease payments	(37.98)	(34.27)
Net cash flow generated from financing activities (C)	**31,307.48**	**8,073.67**
Net increase in cash and cash equivalents (A+B+C)	**(350.69)**	**(803.56)**
Cash and cash equivalents as at the beginning of the year	5,628.39	6,533.27
Cash and cash equivalents at the end of the year	**5,277.70**	**5,729.71**

Notes:

1) Components of cash and cash equivalents	As at Sep 30, 2023	As at Sep 30, 2022
Cash on hand	0.09	0.12
Balance with banks		
In current accounts and overdraft accounts	5,277.61	5,729.59
deposits with original maturity of less than 3 months	-	-
Total cash and cash equivalents	**5,277.70**	**5,729.71**

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DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749

Statement of Unaudited Standalone Financial Results for the quarter and half year ended Sep 30, 2023

[Regulation 52 read with Regulation 54(2) of the SEBI (LODR) Regulations, 2015]

Notes to the unaudited financial results:

1. The above standalone financial results have been reviewed by the Audit Committee of DMI Finance Private Limited ("the Company") at their meeting held on November 02, 2023 and approved by the Board of Directors of the Company at their meeting held on November 03, 2023.These results have been prepared in accordance with the requirement of Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirement Regulations, 2015 (as amended).

2. In accordance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, limited review of standalone financial results for the quarter and half year ended has been carried out by the statutory auditors.

3. The standalone financial results have been prepared in accordance with applicable Indian Accounting Standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015, and as specified under section 133 of the Companies Act 2013.

4. The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Company level. The operations of the Company fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Company operates in a single geographical segment, i.e., domestic.

5. During the quarter ended Sep 30, 2023, the Company has granted 28,946 options to its employees under new scheme.

6. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and half year ended Sep 30,2023 is given in Annexure 1.

7. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 in terms of RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

INR (In millions) –

S.No.	Particulars	During the quarter ended Sep 30,2023
1	Details of loans not in default that are transferred or acquired	Nil
2	Details of stressed loans transferred or acquired	Nil

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DMI FINANCE PVT. LTD. NEW DELHI

8. Details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework – 1.0) and May 5, 2021 (Resolution Framework 2.0) are given below:

INR (In millions)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) (March 31,2023)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (Sep 30,2023)
Personal loans	**143.05**	4.89	**15.09**	**40.71**	**82.36**
Of which MSMEs	3.13	0	0.19	1.32	1.60
Others	139.93	4.89	14.89	39.39	80.76
Corporate Persons*	-	-	-	-	-
Total	**143.05**	**4.89**	**15.09**	**45.60**	**82.36**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

9. All the Secured non-convertible debenture (NCD) are fully secured by first exclusive charge by hypothecation of book debts/loan to the extent stated in the information memorandum. Further, the Company has maintained Security Cover as stated in the information memorandum which is sufficient to discharge the principal amount at the time of repayment of the non-convertible debt securities issued.

10. The above unaudited results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.dmifinance.in).

11. The Reserve Bank of India has issued the Scale Based Regulation (SBR), which is a revised regulatory framework for Non-Banking Financial Companies (NBFCs). This framework is outlined in Circular No. RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001/2021-22, dated October 22, 2021. The Framework classifies NBFCs into four categories: Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL). The Company is classified as a "Middle Layer" entity in accordance with the Framework.

12. The comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary.

For and on behalf of the Board of Directors of
DMI Finance Private Limited

DMI FINANCE PVT. LTD. NEW DELHI

Yuvraja Chanakya Singh
Joint Managing Director
DIN: 02601179
Date: Nov 03, 2023
Place: New Delhi

S. N. DHAWAN & CO. LLP Chartered Accountants

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749

Annexure1
Disclosure in compliance with Regulation 52(4) of the SEBI(Listing Obligation and Disclosure Requirements) Regulation, 2015

Particulars	Description	Quarter ended Sep 30, 2023 (Unaudited)	Quarter ended June 30, 2023 (Unaudited)	Quarter ended Sep 30, 2022 (Unaudited)	Half year ended Sep 30,2023 (Unaudited)	Half year ended Sep 30,2022 (Unaudited)	Year ended March 31,2023 (Audited)
Debt Equity Ratio (Nos. of times):	[(Debt securities+ Borrowings (other than Debt Securities)]/Total equity	0.76	0.54	0.89	0.76	0.89	0.97
Debenture Redemption Reserve		NA	NA	NA	NA	NA	NA
Capital Redemption Reserve (INR in millions)		81.21	81.21	81.21	81.21	81.21	81.21
Debt service coverage ratio		NA	NA	NA	NA	NA	NA
Interest service coverage ratio		NA	NA	NA	NA	NA	NA
Outstanding redeemable preference shares (Nos.)		h	NA	NA	NA	NA	NA
Inventory turnover		NA	NA	NA	NA	NA	NA
Debtor turnover		NA	NA	NA	NA	NA	NA
Operating margin		NA	NA	NA	NA	NA	NA
Net profit after tax		1132.57	1007.54	687.97	2140.11	1362.14	3240.16
Net profit margin	Net profit after tax / total revenue from operations	18.22%	19.20%	15.80%	18.67%	17.80%	19.79%
Basic earnings per share(for the period)**		1.53	1.38	0.97	2.91	1.91	4.93
Diluted earnings per share(for the period)**		1.51	1.36	0.95	2.88	1.89	4.86
Outstanding redeemable preference shares (Amount)		NA	NA	NA	NA	NA	NA
Net Worth (Total Equity) (in millions)	Total equity	65,981.55	64,767.55	39,955.20	65,981.55	39,955.20	42,061.17
Current Ratio (Nos. of times)	(Current assets / Current liabilities)	NA	NA	NA	NA	NA	NA
Long term debt to working capital		NA	NA	NA	NA	NA	NA
Bad debts to Account receivable ratio		NA	NA	NA	NA	NA	NA
Current liability ratio	(Current liabilities / Total outside liabilities)	NA	NA	NA	NA	NA	NA
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	42.03%	34.09%	45.69%	42.03%	45.69%	47.74%
Gross Non-Performing Assets	Gross Stage III loans Exposure at default (EAD) / Gross total loans EAD	3.93%	3.70%	1.60%	3.93%	1.60%	3.60%
Net Non-Performing Assets	(Gross Stage III loans EAD - Imapirment loss allowance for Stage III) / (Gross total loans EAD-Imapirment loss allowance for Stage III)	1.96%	1.88%	0.14%	1.96%	0.14%	1.50%
Capital to risk weighted Assets Ratio (Tier I + Tier II)		57.59%	69.12%	53.67%	57.59%	53.67%	50.87%
Security cover ratio (no. of times) *	Amount of secured assets / Secured debt	1.15	1.13	1.65	1.15	1.65	1.28
Provision coverage ratio (%)	(Imapirment loss allowance for Stage III/ Gross Stage III loans EAD)	51.12%	50.29%	91.15%	51.12%	91.15%	59.31%

*Asset cover ratio is given for listed non-convertible debt securities only.
**EPS for the quarter ended Sep 30,2023 , Jun 30,2023, Sep 30, 2022 and half year ended Sep 30,2023 and Sep 30,2022 are not annualized.

S. N. DHAWAN & CO. LLP Chartered Accountants

DMI FINANCE PVT. LTD. NEW DELHI

S.N. Dhawan & CO LLP
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2nd Floor, 51-52, Sector-18,
Phase IV, Udyog Vihar, Gurugram,
Haryana 122016, India

Tel: +91 124 481 4444

INDEPENDENT AUDITOR'S REPORT

To the Members of
DMI FINANCE PRIVATE LIMITED

Report on the audit of the standalone financial statements

Opinion

We have audited the standalone financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements:

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matters
(a) Impairment of financial assets as at balance sheet date (expected credit losses)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: - Staging of loans i.e., classification in 'significant increase in credit risk' ('SICR') and 'default' categories; - Estimation of behavioral life; - Determining macro-economic factors impacting credit quality of receivables; - Estimation of losses for loan products with no/ minimal historical defaults	Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. Tested assumptions used by the Management in determining the overlay. Assessed disclosures included in the standalone financial statements in respect of expected credit losses.
(b) Information Technology (IT) system controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.

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Key audit matters	How our audit addressed the key audit matters
Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting	We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirement of SA 720 (Revised), 'The Auditor's Responsibilities Relating to Other Information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended; in our opinion and to the best of our information and according to the explanations given to us, the Company being a private Company, Section 197 of the Act related to the managerial remuneration is not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position as on 31 March 2023 in its standalone financial statements – Refer note 44 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

a. The Management has represented that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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GURUGRAM
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vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from 1 April, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIJ1315

S. N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 22 May 2023

Annexure A to the Independent Auditor's Report
Referred to in paragraph 1 under 'Report on other legal and regulatory requirements section of the Independent Auditor's Report of even date to the members of DMI FINANCE PRIVATE LIMITED on the standalone financial statements as of and for the year ended 31 March 2023

i.

(a) In respect of property, plant and equipment and intangible assets:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant detail of right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its 'Property, Plant and Equipment' and 'Right of use Assets' under which property, plant and equipment and right of use assets are verified in a phased manner, over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property under the head property, plant and equipment other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.

(d) The Company has not revalued its property, plant and equipment including right of use assets and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii.

(a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the respective quarters. The Company has not obtained any working capital limits from any financial institution.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(a) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Refer notes 7.1 and 49 to the standalone financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. Having regard to the nature of the Company's business and voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount due, due date for repayment or receipt and the extent of delay.

Summary of loan assets categorized as credit impaired (stage 3) and loan assets categorized as those where credit risk has increased significantly since initial recognition (stage 2) as at the balance sheet date is as under:

Category of loan (gross)	Stage 2 (Rs./ millions)	Stage 3 (Rs./ millions)
Consumer Loans	1,690.44	113.81
Corporate Loans (excluding credit substitute)	1,784.28	2,240.59

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 7.1 to the standalone financial statements in accordance with Indian Accounting Standards (Ind AS), the parties are generally repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable, except for delays in some cases.

(d) In respect of loans and advances in the nature of loans (excluding credit substitute), the aggregate amount of loans, where any instalment is overdue for more than 90 days as at 31 March 2023 is Rs. 2,354.40 millions. In our opinion and according to the information and explanation given to us, reasonable steps are being taken by the Company for recovery of overdue amount of principal and interest.

(e) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances either repayable on demand or without specifying any terms or period of repayment during the year.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

respect of loans granted, investments made, guarantees issued, and security provided.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and there are no amounts which are deemed to be deposits during the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Further the Company had no unclaimed deposits at the beginning of the year.

vi. According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii.

(a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, to the appropriate authorities,. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

The operations of the Company during the year do not give rise to the liabilities of sales-tax, service tax, duty of customs, duty of excise and value added tax.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following case:

Name of the statute	Nature of dues	Amount (Rs./ millions)	Amount paid under Protest (Rs./ millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	2.26	Nil	Assessment year 2017-18	Commissioner of Income Tax-Appeal [CIT(A)]	Demand raised by IT Department as per Assessment Order dated 12.04.2021

viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily invested in liquid funds, pending utilisation.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as applicable.

(f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x.

(a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.

xi.

(a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud amounting to Rs. 20.3 millions comprising of 116 instances noticed and reported by the management in terms of the regulatory provisions applicable to the Company, as mentioned in note 53 (v) of standalone financial statements

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Since, the

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Company is a private limited Company, therefore, the provisions of Section 177 of the Act are not applicable to the Company..

xiv.

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued to the company till date, and covering the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with them covered under Section 192 of the Act.

xvi.

(a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and the Company has obtained the registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.

(d) The Group has no CIC which are part of the Group. Accordingly, the provision of clause 3(xvi) (d) of the order are not applicable.

xvii. The Company has not incurred any cash losses during the current financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

(a) The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Act till the date of our report. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act, has not elapsed till the date of our report.

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment has been included in respect of said clause under this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIJ1315

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 22 May 2023

Annexure B
(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of DMI FINANCE PRIVATE LIMITED, on the standalone financial statements for the year ended 31 March 2023)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of DMI FINANCE PRIVATE LIMITED ("the Company") as at 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIJ1315

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 22 May 2023

DMI Finance Private Limited
Standalone Balance Sheet as at March 31, 2023
(All Amount in Rs. In millions, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	5,628.39	6,533.27
Bank balance other than cash and cash equivalents	5	560.10	294.45
Trade receivables	6	308.05	57.07
Loans	7	67,331.33	46,801.15
Investments	8	8,465.14	10,688.86
Other financial assets	9	1,089.55	1,608.08
Total financial assets		83,382.56	65,982.88
Non-financial assets			
Current tax assets	10	185.78	284.71
Deferred tax assets (net)	11	1,127.16	803.53
Property, plant and equipment	12	140.53	104.18
Capital work in progress	13 (a)	-	23.27
Intangible assets under development	13 (b)	8.78	-
Right of use assets	14	196.35	234.95
Other intangible assets	15	21.66	31.41
Other non- financial assets	16	165.66	103.56
Total non-financial assets		1,845.92	1,585.61
Assets held for sale	17	75.00	143.88
TOTAL ASSETS		85,303.48	67,712.37
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
A) Trade payables	18 (a)		
(i) total outstanding dues of micro and small enterprises		8.97	94.79
(ii) total outstanding dues of creditors other than micro and small enterprises		1,133.20	659.67
B) Other payables	18 (b)		
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		525.06	379.87
Debt securities	19	16,837.91	18,552.27
Borrowings (other than debt securities)	20	23,888.51	8,965.53
Lease liabilities	21	242.29	276.36
Other financial liabilities	22	283.98	162.87
Total financial liabilities		42,919.92	29,091.36
Non financial liabilities			
Provisions	23	96.35	77.25
Other non-financial liabilities	24	226.04	62.89
Total non-financial liabilities		322.39	140.14
EQUITY			
Equity share capital	25	6,567.75	6,567.00
Other equity	26	35,493.42	31,913.87
Total equity		42,061.17	38,480.87
TOTAL LIABILITIES AND EQUITY		85,303.48	67,712.37

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No. 087701

Place: GURUGRAM
Date: 22MAY, 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: 22 MAY, 2023

Vikram Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: NEW DELHI
Date: 22 MAY, 2023

DMI Finance Private Limited
Standalone Statement of profit and loss for the year ended March 31, 2023
(All Amount in Rs. In millions, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	27	15,969.48	7,837.11
Fees and commission income	28	201.74	118.86
Net gain on fair value changes	29	197.60	1,005.79
Total revenue from operations		16,368.82	8,961.76
Other income	30	196.24	144.51
Total income		16,565.06	9,106.27
Expenses			
Finance costs	31	3,018.66	1,916.53
Fees and commission expense	32	1,329.74	671.05
Impairment on financial instruments	33	4,012.20	3,411.93
Employee benefits expense	34	1,235.22	839.86
Depreciation, amortization and impairment	35	108.20	98.68
Other expenses	36	2,482.46	1,386.69
Total expenses		12,186.48	8,324.74
Profit before tax		4,378.58	781.53
Tax expense/ (credit):			
(1) Current tax	47	1,520.76	645.05
(2) Deferred tax	47	(382.34)	(441.32)
Income tax expense		1,138.42	203.73
Net profit for the year		3,240.16	577.80
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		5.53	0.52
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		227.72	837.53
Income tax relating to above		(58.71)	(210.94)
Subtotal (a)		174.54	627.11
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value changes		-	0.57
Income tax relating to above item		-	(0.14)
Subtotal (b)		-	0.43
Other comprehensive income		174.54	627.54
Total comprehensive income for the year		3,414.70	1,205.34
Earnings per equity share (face value of Rs. 10 per share)	37		
Basic (Rs.)		4.93	0.82
Diluted (Rs.)		4.86	0.81

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No. 087701

Place: GURUGRAM
Date: 22 MAY, 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22 MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahib Panwa
(Company Secretary)
M. No. 024789

Place: NEW DELHI
Date: 22 MAY, 2023

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U65929DL2008PTC182749

Statement of Standalone Cash Flows for the year ended March 31, 2023

(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities:		
Profit before tax	4,378.58	781.53
Adjustments for		
Depreciation and amortisation	108.20	98.68
Net gain on fair value changes	(197.60)	(1,005.79)
Impairment on financial instruments	4,012.20	3,603.77
Interest expense for leasing arrangements	26.33	16.09
Effective interest rate adjustment for financial instruments	75.08	12.76
Asset held for sale written off	68.88	45.97
Dividend income	(3.34)	-
Employee stock option/share warrant expense	160.41	79.01
Operating profit before working capital changes	8,628.74	3,632.02
Changes in working capital		
(Increase) in financial and other assets	(24,670.84)	(17,963.79)
Increase in financial and other liabilities	654.01	388.95
Decrease in non financial assets	(62.10)	(15.03)
Increase in non financial liabilities	187.78	35.92
Total of changes in working capital	(23,891.15)	(17,553.95)
Direct taxes paid (net of refunds)	(1,421.83)	(715.38)
Net cash flow generated from / (used in) operating activities (A)	(16,684.24)	(14,637.31)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	(71.44)	(61.62)
Purchase of investment	(76,951.65)	8,725.49
Sale of investment	79,996.70	-
Dividend income	3.34	-
Movement of fixed deposits (net)	(265.65)	(27.24)
Net cash flow from / (used in) investing activities (B)	2,711.30	8,636.63
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	4.97	2,342.62
Receipt of upfront money on share warrant	0.22	-
Proceeds from borrowings (other than debt securities)	31,517.19	8,850.00
Repayment of borrowings (other than debt securities)	(16,664.49)	(1,077.84)
Proceeds from debt securities	1,500.00	-
Repayment of debt securities	(3,219.16)	-
Lease payments	(70.67)	(57.10)
Net cash flow generated from financing activities (C)	13,068.06	10,057.68
Net increase in cash and cash equivalents (A+B+C)	(904.88)	4,057.00
Cash and cash equivalents as at the beginning of the year	6,533.27	2,476.27
Cash and cash equivalents at the end of the year	5,628.39	6,533.27

Notes:

1) Components of cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.05	0.05
Balance with banks		
In current accounts and overdraft accounts	5,628.34	5,533.22
deposits with original maturity of less than 3 months	-	1,000.00
Total cash and cash equivalents	5,628.39	6,533.27

2) Statement of Cash Flows has been prepared under indirect method as set out in the IND AS 7 "Statement of Cash Flows"

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 45.

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No. 087700

Place: GURUGRAM
Date: 22 MAY, 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivasish Chatterjee
(Jt. Managing Director)
DIN: 02023460

Place: NEW YORK
Date: 22 MAY, 2023

Yuvraj Chanakya Singh
(Jt. Managing Director)
DIN/02001179

Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: NEW DELHI
Date: 22 MAY, 2023

DMI Finance Private Limited
Statement of Changes in Equity for the year ended March 31, 2023
(All Amount in Rs. In millions, unless otherwise stated)

A. Equity share capital (refer note 25)

For the year ended 31 March 2023	Number	INR Millions
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2022	71,23,93,401	6,567.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2022	71,23,93,401	6,567.00
Issue of share capital (Note 25)	74,741	0.75
At 31 March 2023	71,24,68,142	6,567.75

For the year ended 31 March 2022	Number	INR Millions
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2021	69,93,50,933	6,436.58
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2021	69,93,50,933	6,436.58
Issue of share capital	1,30,42,468	130.42
At 31 March 2022	71,23,93,401	6,567.00

	Reserves and Surplus							Other Comprehensive Income				
Particulars	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital redemption reserve	Upfront monies received on Share warrants	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Gain/(loss) on Fair Value changes (Debt and Equity)	Realised Gain on Investments	Total other comprehensive income	Total other equity
Balance as on April 1, 2021	977.46	23,495.35	140.95	-	81.21	-	3,638.30	0.78	33.27	-	34.05	28,417.32
Profit for the year	-	-	-	-	-	-	577.80	-	-	-	-	577.80
Other Comprehensive Income for the year	-	-	-	-	-	-	-	0.39	610.18	16.97	627.54	627.54
Transfer to special reserve	115.56	-	-	-	-	-	(115.56)	-	-	-	-	-
Share options exercised during the year	-	-	46.07	-	-	-	-	-	-	-	-	46.07
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	0.50	-	-	-	-	-	0.50
Transfer to Share Warrant reserve	-	-	-	32.44	-	-	-	-	-	-	-	32.44
Premium on issue of equity shares	-	2,212.20	-	-	-	-	-	-	-	-	-	2,212.20
Balance as on March 31, 2022	1,093.02	25,707.55	187.02	32.44	81.21	0.50	4,150.54	1.17	643.45	16.97	661.59	31,913.87
Profit for the year	-	-	-	-	-	-	3,240.16	-	-	-	-	3,240.16
Other Comprehensive Income for the year	-	-	-	-	-	-	-	4.14	170.40	-	174.54	174.54
Transfer to special reserve	648.03	-	-	-	-	-	(648.03)	-	-	-	-	-
Share options granted during the year	-	-	121.09	-	-	-	-	-	-	-	-	121.09
Share options exercised during the year	-	-	(3.04)	-	-	-	-	-	-	-	-	(3.04)
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	0.22	-	-	-	-	-	0.22
Transfer to Share Warrant reserve	-	-	-	42.36	-	-	-	-	-	-	-	42.36
Premium on issue of equity shares	-	4.22	-	-	-	-	-	-	-	-	-	4.22
Balance as on March 31, 2023	1,741.05	25,711.77	305.07	74.80	81.21	0.72	6,742.67	5.31	813.85	16.97	836.13	35,493.42

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No. 037701

Place: GURUGRAM
Date: 22MAY, 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
Place: NEW YORK
Date: 22MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179
Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)
Place: NEW DELHI
Date: 22 MAY, 2023

Sahib Pahwa
(Company Secretary)
M. No. A24789
Place: NEW DELHI
Date: 22MAY, 2023

DMI Finance Private Limited

Notes to the standalone financial statements for the year ended March 31, 2023

1 **Corporate Information**

DMI Finance Private Limited is a Private Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification Number is (CIN) U65929DL2008PTC182749 on September 02, 2008.

The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on January 05, 2009 vide registration No. RBI N-14.03176.

The registered office of the Company is located at Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg New Delhi.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 May, 2023.

2 **Basis of preparation of Financial Statements**

a) **Statement of compliance**

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS' or 'the Accounting Standards') notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All amount disclosed in the financial statements and notes have been rounded off to the nearest Rupees millions as per the requirements of Schedule III, unless otherwise stated.

b) **Basis of preparation and presentation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules , 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company and deposit taking company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') as amended issued by RBI. The financial statements have been prepared on a going concern basis.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the millions, except when otherwise indicated.

c) **Basis of measurement**

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

d) **Presentation of financial statements**

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

3.1 **Summary of significant accounting policies**

a) **Use of estimates,judgements and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of Current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

i. **Business Model Assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are evaluated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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ii. **Impairment of financial assets**

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

iii. **Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

iv. **Fair value measurement of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. **Effective Interest Rate ('EIR') method**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

vi. **Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the balance sheet, any bank overdrafts, if applicable, are included as a component of borrowings.

c) **Revenue recognition**

I. **Interest income**

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

The EIR (and therefore, the amortised cost of the assets) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extant recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income.

II. **Income other than interest**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

A. **Fee and commission income**

All other financial charges such as cheque return charges, legal charges, collection charges etc are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

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B. **Net gain/loss on fair value changes**
Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate,the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

C. **Other Income**
Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date. The company also recognises gain on fair value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

D. **Dividend Income**
Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) **Property, plant and equipment**
Property, plant and equipment are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) **Intangible Assets**
Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f) **Depreciation and amortization**
Depreciation
Depreciation on property, plant and equipment's is calculated on written down value (WDV) basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particulars	Useful Life (years)
Furniture and Fixtures	10
Vehicle	8
Computer, printers	3-6
Office Equipment	5

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.
Salvage Value of the assets has been taken five percent of Original Cost (except intangible assets) as prescribed in Schedule II.
Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

Amortization
The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates that useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

g) **Impairment of non-financial assets**
The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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h) Leases

i. Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

ii. Measurement and recognition:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term Lease:
The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

iii. Company as a lessor:
As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

i) Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Contingent liabilities and assets

i. Contingent liabilities
The Company does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

ii. Contingent assets
Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

k) Employee benefits

i. Defined contribution plan
The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined benefit plan
The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.
Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

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iii. **Compensated absences**
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

l) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

m) Taxes

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial Assets**

A. **Initial recognition and measurement**
The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Company measures bank balances, loans and advances, trade receivables and other financial instruments at amortised cost.

B. **Classification and subsequent measurement**
The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement , financial assets are classified in three categories:
- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)

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C. Debt instruments at amortised costs

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

D. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

E. Debt Instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

The losses arising from impairment are recognised in the statement of profit and loss.

F. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

II. Equity Investments and Mutual funds

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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iii. Financial Liabilities

A. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Company's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

B. Loans, Debenture and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

C. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

D. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

E. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

G. Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

H. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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I. Impairment of financial assets

i. Overview of the impairment principles ('ECL')

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12 month period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I
These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II
Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III
All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

ii. The calculation of ECLs

The mechanics of the ECL calculation involve the use of following key elements:
Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Company.
Exposure at default (EAD) – It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAD by the Company. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.
Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Company uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

iii. Definition of Default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.
Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.
It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

iv. Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

v. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

vi. Collateral repossessed

The Company's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is less at repossession date.

p) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

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r) **Interest in Subsidiaries and associate entities**
Investment in subsidiaries and associate entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down value immediately to its recoverable amount. On disposal of investment in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

s) **Borrowing Cost**
Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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4 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.05	0.05
Balance with banks		
- balance in current accounts and overdraft accounts	5,628.34	5,533.22
Deposits with original maturity of less than 3 months	-	1,000.00
	5,628.39	6,533.27

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months*	560.10	294.45
	560.10	294.45

* Deposits being lien marked against corporate credit cards and overdraft accounts or pledged as margin for credit enhancement

6 Trade receivables

Considered good - Unsecured	308.05	57.07
Considered good - Secured	-	-
Receivables which have significant increase in credit risk	-	-
Receivables – credit impaired	-	-
	308.05	57.07
Less: Impairment loss allowance	-	-
Total	308.05	57.07

Trade receivables from related parties (see note 40)

Trade receivables aging schedule

As at 31 March 2023

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	308.05	-	-	-	-	308.05
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	308.05	-	-	-	-	308.05

As at 31 March 2022

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	57.07	-	-	-	-	57.07
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	57.07	-	-	-	-	57.07

Note: The ageing of trade receivables has been determined from the transaction date

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7 Loans

	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans*	12,041.06	137.80	12,178.86	15,680.69	367.90	16,048.60
Consumer loans	59,114.03	-	59,114.03	33,856.86	-	33,856.86
Total (A) Gross	71,155.09	137.80	71,292.89	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (A) Net	67,209.91	121.42	67,331.33	46,444.73	356.42	46,801.15
(B)						
Secured by tangible assets and intangible assets	11,990.70	137.80	12,128.50	15,680.69	367.90	16,048.60
Unsecured	59,164.39	-	59,164.39	33,856.86	-	33,856.86
Total (B) Gross	71,155.09	137.80	71,292.89	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (B) Net	67,209.91	121.42	67,331.33	46,444.73	356.42	46,801.15
(C) Sector						
Public sector	-	-	-	-	-	-
Others	71,155.09	137.80	71,292.89	49,537.55	367.90	49,905.46
Total (C) Gross	71,155.09	137.80	71,292.89	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (C) Net	67,209.91	121.42	67,331.33	46,444.73	356.42	46,801.15
(D)						
In India	71,155.09	137.80	71,292.89	49,537.55	367.90	49,905.46
Outside India	-	-	-	-	-	-
Total (D) Gross	71,155.09	137.80	71,292.89	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (D) Net	67,209.91	121.42	67,331.33	46,444.73	356.42	46,801.15

*Corporate loan portfolio includes loan outstanding from employees of Rs. 0.32 millions (previous year: Rs. 1.72 millions)

Notes:

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) Corporate loan portfolio includes non-convertible debentures of Rs. 2,338.58 millions (previous year: Rs. 3,774.76 millions)

iv) Disclosure in respect to loan given to Key management personnel (KMP)

	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
Type of Borrower	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Key management personnel (KMP)	-	-	-	-

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7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	57,309.78	1,690.44	113.81	59,114.03	32,855.94	931.48	69.45	33,856.87
Less: Impairment loss allowance	619.78	493.24	113.81	1,226.83	284.20	228.76	69.45	582.41
Net carrying amount	56,690.00	1,197.20	-	57,887.20	32,571.74	702.72	-	33,274.46

Corporate loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	8,153.99	1,784.28	2,240.59	12,178.86	15,080.82	192.95	774.83	16,048.60
Less: Impairment loss allowance	256.96	1,338.45	1,139.32	2,734.73	1,855.56	25.29	641.05	2,521.90
Net carrying amount	7,897.03	445.83	1,101.27	9,444.13	13,225.26	167.67	133.78	13,526.70

Summary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	3,462.35	-	351.99	3,814.34	4,057.64	-	351.99	4,409.63
Less: Impairment loss allowance	765.18	-	351.99	1,117.17	1,193.33	-	319.85	1,513.18
Net carrying amount	2,697.17	-	-	2,697.17	2,864.31	-	32.13	2,896.45

An analysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	32,855.94	931.48	69.45	33,856.87	17,909.93	1,343.73	-	19,253.66
New Assets originated, Netted off for repayments and loans derecognised during the year	24,405.79	882.63	(31.26)	25,257.16	15,164.63	(574.39)	12.96	14,603.20
Transfers from Stage 1	(564.23)	491.51	72.72	-	(235.19)	193.76	41.43	-
Transfers from Stage 2	603.43	(617.45)	14.02	-	16.56	(31.62)	15.06	-
Transfers from Stage 3	8.85	2.27	(11.12)	-	-	-	-	-
Gross carrying amount closing balance	57,309.78	1,690.44	113.81	59,114.03	32,855.94	931.48	69.45	33,856.86

Corporate loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	15,080.82	192.95	774.83	16,048.60	12,794.98	-	1,071.56	13,866.54
New Assets originated, Netted off for repayments and loans derecognised during the year	(3,727.77)	(17.25)	(124.72)	(3,869.74)	2,478.79	-	(296.73)	2,182.06
Transfers from Stage 1	(3,199.06)	1,608.58	1,590.48	-	(192.95)	192.95	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	8,153.99	1,784.28	2,240.59	12,178.86	15,080.82	192.95	774.83	16,048.60

An analysis of changes in the gross carrying amount of Investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,057.64	-	351.99	4,409.63	2,265.67	280.64	351.99	2,898.30
New Assets originated, Netted off for repayments and loans derecognised during the year	(595.29)	-	-	(595.29)	1,511.33	-	-	1,511.33
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	280.64	(280.64)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	3,462.35	-	351.99	3,814.34	4,057.64	-	351.99	4,409.63

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance opening balance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.01
Change in ECL due to change in ECL model rate	124.06	78.09	-	202.15	10.86	47.00	52.69	110.55
New Assets originated, Netted off for repayments and loans derecognised during the year	421.02	62.86	3,184.52	3,668.40	279.75	(172.17)	1,372.30	1,479.88
Transfers from Stage 1	(216.13)	143.42	72.71	-	(89.02)	47.59	41.43	-
Transfers from Stage 2	6.53	(20.55)	14.02	-	0.14	(15.20)	15.06	-
Transfers from Stage 3	0.10	0.66	(0.76)	-	-	-	-	-
Write Offs	-	-	(3,226.13)	(3,226.13)	-	-	(1,412.03)	(1,412.03)
Expected credit loss allowance closing balance	619.78	493.24	113.81	1,226.83	284.20	228.76	69.45	582.41

Corporate loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance opening balance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.47
Change in ECL due to change in ECL model rate	93.21	-	14.26	107.47	543.93	-	30.43	574.36
New Assets originated, Netted off for repayments and loans derecognised during the year	160.89	(13.35)	(42.17)	105.37	355.88	-	(26.81)	329.07
Transfers from Stage 1	(1,852.69)	1,326.51	526.18	-	(25.29)	25.29	-	-
Transfers from Stage 2		-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
Expected credit loss allowance closing balance	256.96	1,338.45	1,139.32	2,734.73	1,855.56	25.29	641.05	2,521.90

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes and Compulsory Convertible Debentures (refer note 8) is, as follows:

Particulars	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance opening balance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12
Change in ECL due to change in ECL model rate	279.38	-	32.13	305.51	531.15	-	69.56	600.71
ECL on new assets originated, netted off for repayments and loans derecognised during the year	(701.53)	-	-	(701.53)	317.35	-	-	317.35
Transfers from Stage 1		-	-	-	-	-	-	-
Transfers from Stage 2		-	-	-	2.57	(2.57)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
Expected credit loss allowance closing balance	765.18	-	351.99	1,117.17	1,193.33	-	319.85	1,513.18

7.2 Collateral

In case of corporate term loans the Company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others

In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments.

Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2023	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A) Equity instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	4.26	4.26
Equity shares in DMI Capital Private Limited	-	-	-	-	1.80	1.80
Equity shares in Appnit Technologies Private Limited	-	-	-	-	463.03	463.03
Subtotal	-	-	-	-	470.05	470.05
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.48	3.48	-	3.48
Equity shares in Flash Electronics Private Limited	-	-	818.97	818.97	-	818.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Equity shares in Azad Engineering Private Limited	-	227.04	-	227.04	-	227.04
Equity shares in Radiant Polymers Private Limited	-	-	100.10	100.10		100.10
Subtotal	-	227.04	1,138.31	1,365.35	-	1,365.35
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	385.56	-	385.56	-	385.56
Compulsorily convertible preference shares in Appnit Technologies Private Limited	-	-	-	-	21.97	21.97
Subtotal	-	385.56	-	385.56	21.97	407.53
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,560.00	1,560.00	-	1,560.00
600 Complusory convertible debentures in Biorad Medisys Private Limited of face value of Rs. 10,00,000 each	-	-	600.27	600.27	-	600.27
Subtotal	-	-	2,160.27	2,160.27	-	2,160.27
Credit Substitutes						
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	943.72	-	358.36	1,302.08	-	1,302.08
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
Subtotal	1,116.64	-	537.43	1,654.07	-	1,654.07
Investment in Pass through certificates(unquoted)	-	3,515.31	-	3,515.31	-	3515.31
Other Instruments						
Security receipts in Alchemist XV Trust	-	-	-	-	-	-
Units of DMI AIF Special Opportunities Scheme	-	-	9.73	9.73	-	9.73
Subtotal	-	-	9.73	9.73	-	9.73
Total (A) Gross	1,116.64	4,127.91	3,845.74	9,090.29	492.02	9,582.31
Less: Impairment loss allowance	668.70	-	448.47	1,117.17	-	1,117.17
Total (A) Net	447.94	4,127.91	3,397.27	7,973.12	492.02	8,465.14
(B) Investments outside India	-	-	-	-	-	-
Investments in India	1,116.64	4,127.91	3,845.74	9,090.29	492.02	9,582.31
Total (B) Gross	1,116.64	4,127.91	3,845.74	9,090.29	492.02	9,582.31
Less: Impairment loss allowance	668.70	-	448.47	1,117.17	-	1,117.17
Total (B) Net	447.94	4,127.91	3,397.27	7,973.12	492.02	8,465.14

* At cost

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As at March 31, 2022	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A) Equity Instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	5.12	5.12
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Equity shares in Appnit Technologies Private Limited	-	-	-	-	463.03	463.03
Subtotal	-	-	-	-	470.10	470.10
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	3.37
Equity shares in Flash Electronics Private Limited	-	-	793.97	793.97	-	793.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Subtotal	-	-	1,013.10	1,013.10	-	1,013.10
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	363.84	-	363.84	-	363.84
Compulsorily convertible preference shares in Appnit Technologies Private Limited	-	-	-	-	21.97	21.97
Subtotal	-	363.84	-	363.84	21.97	385.81
Mutual funds						
234,062.94 units of Baroda BNP Paribas Liquid Fund - Direct Growth	-	574.14	-	574.14	-	574.14
418,933.27 HDFC Liquid Fund - Direct Plan - Growth Option		1,753.13	-	1,753.13	-	1,753.13
468,743.91 SBI Liquid Fund Direct Growth		1,562.37		1,562.37	-	1,562.37
208,156.56 UTI Liquid Cash Plan - Direct Plan - Growth		726.06	-	726.06	-	726.06
1,879,040.68 ICICI Liquid Fund - DP Growth		592.38		592.38		592.38
212,254.65 Axis Liquid Fund - Direct Growth		501.79		501.79		501.79
Subtotal	-	5,709.86	-	5,709.86	-	5,709.86
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,148.13	1,148.13	-	1,148.13
1,777 Compulsory convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,000 each	-	631.43	-	631.43	-	631.43
4,200 Optionally convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,00 each	-	434.44	-	434.44		434.44
Subtotal	-	1,065.87	1,148.13	2,214.00	-	2,214.00
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	69.50	-	23.76	93.26	-	93.26
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	626.00	-	-	626.00	-	626.00
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	822.30	-	311.41	1,133.71	-	1,133.71
Subtotal	1,690.72	-	514.24	2,204.96	-	2,204.96
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	10.10	-	10.10
Subtotal	-	194.11	10.10	204.21	-	204.21
Total (A) - Gross	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (A) Net	542.46	7,271.89	2,382.44	10,196.79	492.07	10,688.86
(B) Investments outside India	-	-	-	-	-	-
Investments in India	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Total (B) - Gross	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (B) - Net	542.46	7,271.89	2,382.44	10,196.79	492.07	10,688.86

* At cost

Notes:

(i) For movement of impairment loss allowance refer note 7.1

(ii) Information of subsidiaries and associates

Name of entity	Principal Activity	Place of incorporation	Principal place of business	As at March 31, 2023	As at March 31, 2022
Subsidiaries					
DMI Management Services Private Limited	Financial Service (Asset Management)	Delhi	Delhi	100.00%	100.00%
DMI Capital Private Limited	Financial Service (Merchant Banking)	Delhi	Delhi	100.00%	100.00%
Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)	Financial Services(Prepaid Instrument Issuer)	Lucknow, Uttar Pradesh	NOIDA, Uttar Pradesh	94.04%	94.04%
Associate					
DMI Alternatives Private Limited	Investment Manager	Delhi	Delhi	49.00%	49.00%

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9 Other financial assets (at amortized cost)

	As at March 31, 2023	As at March 31, 2022
Security deposit	26.14	25.55
First loss default guarantee recoverable	133.13	90.54
Interest accrued on fixed deposits	11.03	13.74
Money with partners pending for disbursement	-	898.89
Recoverable from partner	104.24	-
Unbilled revenue and recoverables	815.01	579.36
Total	1,089.55	1,608.08

10 Current tax assets

Advance income-tax (net)	185.78	284.71
Total	185.78	284.71

11 Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	402.77	455.81
Difference in income recognition on unrealized gain on mutual fund investments	-	18.31
Total deferred tax liabilities	402.77	474.12
Deferred tax asset		
Provision for employee benefits	29.11	19.45
Difference in written down value as per Companies Act and Income-tax Act	14.54	11.30
EIR adjustment for processing fee	260.36	77.29
Liability against leases	11.05	9.91
Impairment loss allowance	1,200.30	1,131.17
Notional interest on Market linked debentures	14.57	-
Carry forward of interest disallowed u/s 94B	-	28.53
Gross deferred tax asset	1,529.93	1,277.65
Net Deferred Tax (Liability)/ Asset	1,127.16	803.53

Movement of deferred tax assets	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2023
Liabilities				
Fair value of financial instruments	455.81	(110.36)	57.32	402.77
Difference in income recognition on unrealized gain on mutual fund investments	18.31	(18.31)	-	-
Deferred tax liabilities	474.12	(128.67)	57.32	402.77
Assets				
Provision for employee benefits	19.45	11.05	(1.39)	29.11
Difference in written down value as per Companies Act and Income-tax Act	11.30	3.24	-	14.54
EIR adjustment for processing fee	77.29	183.07	-	260.36
Liability against leases	9.91	1.14	-	11.05
Impairment loss allowance	1,131.17	69.13	-	1,200.30
Notional interest on Market linked debentures	-	14.57		14.57
Carry forward of interest disallowed u/s 94B	28.53	(28.53)	-	-
Deferred Tax Assets	1,277.65	253.67	(1.39)	1,529.93
Net Deferred tax asset	803.53	382.34	(58.71)	1,127.16

Movement of Deferred tax assets	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Liabilities				
Fair value of financial instruments	82.80	162.07	210.94	455.81
Difference in income recognition on unrealized gain on mutual fund investments	69.48	(51.17)	-	18.31
Deferred Tax Liabilities	152.28	110.90	210.94	474.12
Assets				
Provision for employee benefits	14.28	5.31	(0.14)	19.45
Difference in written down value as per Companies Act and Income-tax Act	6.47	4.83	-	11.30
EIR adjustment for processing fee	30.81	46.48	-	77.29
Liability against leases	7.44	2.47	-	9.91
Impairment loss allowance	640.90	490.27	-	1,131.17
Carry forward of interest disallowed u/s 94B	25.67	2.86	-	28.53
Deferred tax assets	725.57	552.22	(0.14)	1,277.65
Net Deferred tax assets	573.29	441.32	(211.08)	803.53

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12 Property, plant and equipment (at cost or deemed cost)

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold improvements	Total
Gross carrying amount						
Balance as at March 31, 2021	1.88	37.31	5.36	31.86	141.24	217.65
Additions	-	19.54	-	0.47	-	20.01
Disposals	(0.04)	-	-	(0.28)	(3.97)	(4.29)
Balance as at March 31, 2022	1.84	56.85	5.36	32.04	137.27	233.36
Additions	0.10	29.19	-	6.76	43.98	80.03
Disposals	-	(0.12)	-	-	-	(0.12)
Balance as at March 31, 2023	1.94	85.92	5.36	38.80	181.25	313.27
Accumulated depreciation						
Balance as at March 31, 2021	0.90	27.54	4.27	22.42	46.37	101.50
Charge for the year	0.25	11.28	0.33	4.08	15.81	31.75
Disposals	(0.03)	-	-	(0.27)	(3.77)	(4.07)
Balance as at March 31, 2022	1.12	38.82	4.60	26.23	58.41	129.18
Charge for the year	0.21	18.34	0.20	5.08	19.81	43.64
Disposals	-	(0.08)	-	-	-	(0.08)
Balance as at March 31, 2023	1.33	57.08	4.80	31.31	78.22	172.74
Net carrying amount						
As at March 31, 2021	0.98	9.77	1.09	9.44	94.87	116.15
As at March 31, 2022	0.72	18.03	0.76	5.81	78.86	104.18
As at March 31, 2023	0.61	28.84	0.56	7.49	103.03	140.53

Notes:

i) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 14 - Right of use assets.

ii) During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.

iii) There is no proceeding initiated against the Company for the properties under the Benami Transactions (Prohibiton) Act, 1908 and the rules made thereunder.

13 (a) Capital work in progress

	As at March 31, 2023	As at March 31, 2022
Capital work in progress	-	23.27
	-	23.27

As at 31 March, 2023

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at 31 March, 2022

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	23.27	-	-	-	23.27
Projects temporarily suspended	-	-	-	-	-
	23.27	-	-	-	23.27

Contractual commitments to be executed on capital account amounting to Rs. 1.05 millions (previous year: 18.25 millions)

13 (b) Intangible assets under development

	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	8.78	-
	8.78	-

As at 31 March, 2023

	Amount in Intangible assets under development for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8.78	-	-	-	8.78
Projects temporarily suspended	-	-	-	-	-
	8.78	-	-	-	8.78

As at 31 March, 2022

	Amount in Intangible assets under development for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note:
Contractual commitments to be executed on capital account amounting to Rs. 2.90 millions. (previous year: Nil)

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14 Right of use assets

	Right of use assets	Total
Gross carrying amount		
Balance as at March 31, 2021	293.91	293.91
Additions	75.08	75.08
Disposals	-	-
Balance as at March 31, 2022	368.99	368.99
Additions	10.27	10.27
Disposals	-	-
Balance as at March 31, 2023	379.26	379.26
Depreciation		
Balance as at March 31, 2021	83.20	83.20
Additions	50.84	50.84
Disposals	-	-
Balance as at March 31, 2022	134.04	134.04
Additions	48.87	48.87
Disposals	-	-
Balance as at March 31, 2023	182.91	182.91
Net carrying amount		
As at March 31, 2021	210.71	210.71
As at March 31, 2022	234.95	234.95
As at March 31, 2023	196.35	196.35

Note: For other details please refer Note 46

15 Other Intangible assets

	Software	Total
Gross carrying amount		
Balance as at March 31, 2021	39.91	39.91
Additions	24.69	24.69
Disposals	-	-
Balance as at March 31, 2022	64.60	64.60
Additions	5.95	5.95
Disposals	-	-
Balance as at March 31, 2023	70.55	70.55
Amortization		
Balance as at March 31, 2021	17.11	17.11
Additions	16.09	16.09
Disposals	-	-
Balance as at March 31, 2022	33.20	33.20
Additions	15.69	15.69
Disposals	-	-
Balance as at March 31, 2023	48.89	48.89
Net carrying amount		
As at March 31, 2021	22.80	22.80
As at March 31, 2022	31.41	31.41
As at March 31, 2023	21.66	21.66

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		As at March 31, 2023	As at March 31, 2022
16	**Other non- financial assets**		
	Prepaid expenses	145.39	102.57
	Other non-financial assets*	20.27	1.00
	Total	165.66	103.56

*Includes 18.63 million incurred for expenses related to issue of equity shares and shall be adjusted with share premium of the issue.

17	**Assets held for sale**		
	Assets under settlement (see note below)	75.00	143.88
		75.00	143.88

Note : These assets represent assets acquired from the Company's borrowers as a part of Company's risk management strategy. In these cases, the Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Company and borrower to transfer the asset in the name of the Company towards settlement of the loan amount.
Basis the development, the Company, on prudent basis, has impaired asset under settlement amounting to Rs. 68.88 million (previous year: Rs.45.97 million)

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	As at March 31, 2023	As at March 31, 2022
18 Payables		
a. Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	8.97	94.79
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,133.20	659.67
	1,142.17	754.46
b. Other payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	525.06	379.87
	525.06	379.87
Total	1,667.23	1,134.33

i) Trade payable and other payable ageing schedule

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	8.97	-	-	-	8.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,483.56	134.94	31.58	8.18	1,658.26
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**1,492.53**	**134.94**	**31.58**	**8.18**	**1,667.23**

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	94.79	-	-	-	94.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	997.44	33.92	5.10	3.08	1039.54
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**1,092.23**	**33.92**	**5.10**	**3.08**	**1,134.33**

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ii) Amount outstanding if Micro,Small and Medium Enterprises Development Enterprises

Based on the responses received from certain suppliers, the Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2023	As at March 31, 2022
i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	8.97	94.79
- Interest thereon	-	0.03
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment	-	-
iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) the amount of interest accrued and remaining unpaid	0.03	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

19 Debt securities (at amortised cost)

Non convertible debentures (refer note 19.1)	15,352.85	18,552.27
Market linked debentures (refer note 19.2)	1,485.06	-
	16,837.91	**18,552.27**
Secured **	1,984.92	499.27
Unsecured	14,852.99	18,053.00
Total	**16,837.91**	**18,552.27**
Debt securities in India	16,837.91	18,552.27
Debt securities outside India	-	-
Total	**16,837.91**	**18,552.27**

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company of Rs. 2,668.62 millions (previous year Rs. 893.22 millions).

The Company has not created the Debenture redemption reserve as it is not mandatorily required in accordance with provisions of the Companies Act 2013.

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19.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Terms of redemption
INE604O07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500	499.85	499.27	36 Months from the date of Allotment. Coupon payment frequency is yearly
Total							499.85	499.27	

All secured against exclusive charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Terms of redemption
INE604O08066	October 1, 2019	October 1, 2022	10,00,000	1,160	10.35%	1,160.00	-	1,160.00	36 months from date of allotment. Coupon payment frequency is quarterly. Matured and paid during Financial year 2023.
INE604O08074	October 21, 2019	October 21, 2022	10,00,000	2,040	10.35%	2,040.00	-	2,040.00	36 months from date of allotment. Coupon payment frequency is quarterly. Matured and paid during Financial year 2023.
INE604O08082	November 25, 2019	November 25, 2023	10,00,000	2,040	8.50%	2,040.00	2,040.00	2,040.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08090	December 10, 2019	December 10, 2023	10,00,000	867	8.50%	867.00	867.00	867.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08108	February 20, 2020	February 20, 2024	10,00,000	7,172	8.50%	7,172.00	7,172.00	7,172.00	48 months from the Date of Allotment Coupon payment frequency is quarterly
INE604O08124	February 28, 2020	February 28, 2024	10,00,000	4,640	9.50%	4,640.00	4,640.00	4,640.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08116	March 12, 2020	March 12, 2024	10,00,000	134	8.50%	134.00	134.00	134.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
Total							14,853.00	18,053.00	

19.2 Terms of redeemable Market Linked Debentures (MLD's)

Secured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Terms of redemption
INE604O07167	October 21, 2022	October 21, 2024	10,00,000	1,500	As per Table Below *	1,500.00	1485.06	-	24 Months from the date of Allotment. Coupon is payable on/at maturity.
Total							1485.06	-	

* If Yield of GSEC 2032 on Redemption Date	Coupon(XIRR)
Is <= 18%	8.75% XIRR
Is <= 24% and >18%	8.70% XIRR
Is > 24%	-

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	As at March 31, 2023	As at March 31, 2022
20 Borrowings (other than debt securities) (at amortised cost)		
Secured*		
Term loans		
From banks (See note i,iv and vi below)	20,489.36	8,717.10
Other loans		
Securitisation - PTC Borrowings (See note iii and v below)	2,902.81	-
Cash credit and overdraft		
From banks (See note i and ii below)	496.34	248.43
	23,888.51	8,965.53
Borrowings in India	23,888.51	8,965.53
Borrowings outside India	-	-
Total	23,888.51	8,965.53

Notes:
i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 28,663.73 millions (Previous year: Rs. 14,257.92 millions).

ii) Exclusive Hypothecation charge on the standard receivables of the Company at all times and cash credit is repayable on demand.

iii) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 3748.46 millions

iv) Terms of repayment of borrowings as on March 31, 2023 are as follows:

Lender	Disbursement Amount	Repayment	Rate of interest	Security cover	Outstanding as on March 31,2023	Outstanding as on March 31, 2022
Bank of Baroda-1	1,000	16 quarterly installments	>6.00%<12%	133%	-	248.50
Bank of Baroda-2	500	16 monthly installments	>6.00%<12%	133%	249.25	373.33
Bank of Baroda-3	500	16 quarterly installments	>6.00%<12%	133%	373.58	497.50
Bank of Baroda-4	1,000	12 quarterly installments	>6.00%<12%	125%	829.14	-
Bank of Baroda-5	1,000	12 quarterly installments	>6.00%<12%	125%	994.31	-
Karnataka Bank Limited	200	11 quarterly installments	>6.00%<12%	125%	89.86	163.22
Karnataka Bank-2	250	11 quarterly installments	>6.00%<12%	125%	110.93	221.86
Karnataka Bank-3	500	11 quarterly installments	>6.00%<12%	125%	361.95	-
Bank of Maharashtra	500	42 monthly installments	>6.00%<12%	125%	320.31	476.93
Bank of Maharashtra-2	2,000	42 monthly installment	>6.00%<12%	125%	1,846.91	-
HDFC Bank Limited-2	750	8 quarterly installments	>6.00%<12%	125%	102.64	512.55
HDFC Bank Limited-3	800	8 quarterly installments	>6.00%<12%	125%	399.23	797.04
HDFC Bank Limited-4	1,000	8 quarterly installments	>6.00%<12%	125%	747.92	-
HDFC Bank Limited-5	1,000	8 quarterly installments	>6.00%<12%	125%	830.56	-
HDFC Bank Limited-6	2,000	8 quarterly installments	>6.00%<12%	125%	2,000.00	-
State Bank Of India-1	1,000	15 quarterly installments	>6.00%<12%	125%	596.52	865.74
State Bank Of India-2	2,000	15 quarterly installments	>6.00%<12%	125%	1,591.46	1,985.82
State Bank of India -3	2,000	15 quarterly installments	>6.00%<12%	125%	1,988.97	-
Kotak Mahindra Bank Limited	400	24 monthly installments	>6.00%<12%	125%	149.90	349.44
Kotak Mahindra Bank Ltd.-2	750	24 monthly installment	>6.00%<12%	125%	468.26	-
IndusInd Bank Limited	500	12 quarterly installments	>6.00%<12%	125%	331.15	495.74
IndusInd-2	500	12 quarterly installments	>6.00%<12%	125%	494.98	-
Punjab National Bank	500	35 monthly installments	>6.00%<12%	133%	312.51	483.82
South Indian Bank Limited	500	15 quarterly installments	>6.00%<12%	125%	398.02	499.04
Indian Bank	750	16 quarterly installments	>6.00%<12%	125%	560.45	746.57
Indian Bank-2	500	11 quarterly installments	>6.00%<12%	125%	497.48	-
Sumitomo Mitsui Banking Corporation	1,000	Upto 3 Months	>6.00%<12%	125%	999.73	-
CSB Bank Limited	500	12 quarterly installments	>6.00%<12%	125%	373.43	-
DCB Bank	250	11 quarterly installments	>6.00%<12%	125%	250.02	-
Bandhan Bank	500	45 monthly installment	>6.00%<12%	125%	498.48	-
Utkarsh Small Finance Bank Limited	300	37 monthly installment	>6.00%<12%	125%	275.16	-
Jammu & Kashmir Bank Limited	500	14 quarterly installments	>6.00%<12%	125%	496.25	-
HDFC Bank WCDL	450	Upto 90 days	>6.00%<12%	125%	450.00	-
HDFC Bank CC WCDL	500	5 months	>6.00%<12%	125%	500.00	-
Total					20,489.36	8,717.10

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v) Terms of repayment of Securitization- PTC borrowings as on March 31, 2023 are as follows:

Securitisation	Total Amount	Payment Terms	ROI	Transaction Structure	Outstanding as on March 31,2023	Outstanding as on March 31, 2022
MOST I	2,381.00	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	119.00	-
PLUM II	772.70	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	552.50	-
PLUM I	905.30	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	748.30	-
PLUM III	1,491.20	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	1,483.01	-
Total					2,902.81	-

vi) Secured term loans from banks amounting to Rs. 20,489.36 millions and carry rate of interest in the range of 6.00% to 12% p.a. The loans are having tenure of upto 4 years from the date of disbursement and are repayable in both monthly and quarterly installments. The secured term loans are secured by hypothecation (exclusive charge) of the book debt receivables of the Company.

vii) There are no term loans from financial institutions.

viii) The Company has not defaulted in the repayment of dues to its lenders.

ix)The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

x) Company has been submitting monthly/quarterly receivable/stock data with the lenders as per the provision of sanction letters and there are no discrepancies between receivable/stock data submitted to the lenders and book of accounts.

xi) The corporate guarantee given by the Company for borrowings of fellow group company on which charge is created on the assets of Company have not been considered for the disclosure as their charge is not due for the satisfaction. Further, the Company doesn't have any charges or satisfaction which is yet to be registered with ROC beyond statutory period

xii) The company has utilised the funds raised raised from banks and financial institutions for the specific purpose for which they are borrowed.

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	As at March 31, 2023	As at March 31, 2022
21 Lease liabilities		
Lease liabilities (refer note 46)	242.29	276.36
	242.29	**276.36**
22 Other financial liabilities		
Interest accrued but not due		
- Debt securities	208.49	156.43
- Borrowings other than debt securities	75.49	6.44
	283.98	**162.87**
23 Provisions		
Provision for gratuity (refer note 38)	38.20	32.58
Provision for compensation absences	58.15	44.67
	96.35	**77.25**
24 Other non-financial liabilities		
Statutory dues payable	221.33	58.18
Security deposit	4.71	4.71
	226.04	**62.89**

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25 Equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	1,96,50,00,000	19,650.00	96,50,00,000	9,650.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	2,00,00,00,000	20,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	65,51,52,742	6,551.53	65,50,78,001	6,550.78
Sub total (A)	65,51,52,742	6,551.53	65,50,78,001	6,550.78
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	16.22
Sub total (B)	5,73,15,400	16.22	5,73,15,400	16.22
Total (A+B)	71,24,68,142	6,567.75	71,23,93,401	6,567.00

25.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	71,23,93,401	6,567.00	69,93,50,933	6,436.58
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	71,23,93,401	6,567.00	69,93,50,933	6,436.58
Shares issued during the year	74,741	0.75	1,30,42,468	130.42
First call money called on party paid up shares	-	-	-	-
Balance at the end of year	**71,24,68,142**	**6,567.75**	**71,23,93,401**	**6,567.00**

25.2 Shares held by holding Company

	As at March 31, 2023		As at	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	72.97%	51,98,89,603	72.98%
	51,98,89,603	72.97%	51,98,89,603	72.98%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

25.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up and partly paid up				
DMI Limited	51,98,89,603	72.97%	51,98,89,603	72.98%
NIS Ganesha S.A.	6,47,35,441	9.09%	6,47,35,441	9.09%
K2VZ	5,73,15,400	8.04%	5,73,15,400	8.05%

Note: As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) During the current year, the Company has issued 74,741 equity shares of Rs. 10 per share at applicable exercise price under the ESOP plans. The amount received on these issues aggregates to Rs. 3.60 million.

(ii) The Authorised share capital has been increased from RS. 10,000 million to Rs.20,000 million. The same was approved by the shareholders of the Company in it's meeting held on Nov 15, 2022.

(iii) % holding is calculated on the basis of number of shares held by the respective shareholder.

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25.4 Details of shares held by promoters

Particulars	As at March 31, 2023	As at 31 March 2022
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	51,98,89,603	51,98,89,603
Change during the year	-	-
No. of shares at the end of the year	51,98,89,603	51,98,89,603
% of total shares	72.97%	72.98%
% change during the year	(0.01%)	(1.83%)

DMI Limited is the promoter of the Company

25.5 Rights, preferences and restrictions

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

25.6 Aggregate number of shares issued for consideration other than cash during the five years

The Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

25.7 Uncalled and Unpaid Capital

There are 5,73,15,400 equity shares issued by the Company against which, the Company has received Rs. 16,52,47,259 (including securities Premium of Rs. 14,90,25,873). Balance amount is not called up by the Company.

25.8 The Company has filed an application under Section 66(1)(a) of Companies Act, 2013 with Hon'ble National Company Law Tribunal ("NCLT") for reduction of issued, Subscribed and Paid-up share Capital of the Company on June 8, 2022. Pursuant to such capital reduction 57,315,400 partly paid equity shares are expected to be reduced to 1,622,138 shares. Further, the order from NCLT is awaited.

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26 Other equity

	As at March 31, 2023	As at March 31, 2022
Securities premium	25,711.77	25,707.55
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	1,741.05	1,093.02
Share based payment outstanding reserve	305.07	187.02
Share warrant reserve	74.80	32.44
Retained earnings	6,742.67	4,150.54
Other comprehensive income	836.13	661.59
Upfront monies received on share warrant	0.72	0.50
Total	**35,493.42**	**31,913.87**
Securities premium		
Opening balance	**25,707.55**	**23,495.35**
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	4.22	2,212.20
Closing balance	**25,711.77**	**25,707.55**
Capital redemption reserve		
Opening balance	**81.21**	**81.21**
Add : Additions during the year	-	-
Closing balance	**81.21**	**81.21**
Statutory reserve u/s 45-IC of RBI Act		
Opening balance	**1,093.02**	**977.46**
Add : Transfer during the year from Surplus in statement of profit and loss	648.03	115.56
Closing balance	**1,741.05**	**1,093.02**
Share based payment outstanding reserve		
Opening balance	**187.02**	**140.95**
Add: Granted/vested during the year	121.09	73.56
Less : Exercised during the year	(3.04)	(27.49)
Closing balance	**305.07**	**187.02**
Share warrant reserve		
Opening balance	**32.44**	-
Add : Addition during the year	42.36	32.44
Closing balance	**74.80**	**32.44**
Retained earnings		
Opening balance	4,150.54	3,688.30
Add : Profit for the year	3,240.16	577.80
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(648.03)	(115.56)
Closing balance	**6,742.67**	**4,150.54**

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	As at March 31, 2023	As at March 31, 2022
Upfront monies received on share warrant		
Opening balance	0.50	-
Add : Amount received during the year	0.22	0.50
Closing balance	**0.72**	**0.50**
Other Comprehensive Income		
Opening balance	661.59	34.05
Add: Remeasurement gain on defined benefit plan	4.14	0.39
Add : Gain on Fair Value changes (debt and equity)	170.40	610.18
Add: Realised Gain on investments	-	16.97
Closing balance	**836.13**	**661.59**

Security premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares.

Statutory reserve u/s 45-IC of RBI Act

The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

Share warrant reserve

The reserve is used to recognise the fair value of the warrants issued to consultants of the Company and subsidiary companies.

Retained earnings

Retained earnings or accumulated surplus and represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

Upfront monies received on share warrant

Upfront monies received on share warrant represents the upfront monies received against the share warrants issued by the Company.

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27 Interest income

	Year ended March 31, 2023			Year ended March 31, 2022		
	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest income on portfolio loans	-	15,391.00	21.51	-	7,280.54	30.22
Interest income on investments	106.92	256.47	155.50	22.89	310.55	154.84
Interest on deposits with bank	-	38.08	-	-	38.06	-
	106.92	15,685.55	177.01	22.89	7,629.15	185.06
Total interest income			15,969.48			7,837.11

28 Fees and commission income

	Amount invoiced		Revenue booked	
	Year ended March 31,2023	Year ended March 31,2022	Year ended March 31,2023	Year ended March 31,2022
Fee on card reload	1.82	21.42	1.82	21.42
Others *			199.92	97.44
	1.82	21.42	201.74	118.86

*includes income related to recoveries from Consumer loans

29 Net gain on fair value changes

	Year ended March 31,2023	Year ended March 31,2022
(A) Net gain on financial instruments at fair value through profit and loss		
On financial instruments designated at fair value through profit or loss	197.60	1,005.79
(B) others	-	-
	197.60	1,005.79
Analysis of fair value changes#		
Realised	337.47	716.69
Unrealised	(139.87)	289.10
	197.60	1,005.79

#shows the change from the date of investment

30 Other income

Cost sharing from group companies	174.89	122.74
Income on Treasury instruments	-	16.88
Miscellaneous income	21.35	4.89
	196.24	144.51

31 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,533.36	1,685.76
- on market linked debentures	62.11	-
Interest on borrowings (other than debt securities)		
- on bank term loan	1,189.84	211.88
- on bank cash credit	20.19	0.58
Other interest expense		
- on delayed deposit of statutory dues	-	0.08
- on leasing arrangements	26.33	16.09
- securitisation	179.96	-
Other borrowing costs	6.87	2.14
	3,018.66	1,916.53

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		Year ended March 31,2023	Year ended March 31,2022
32	**Fees and commission expense**		
	Selling partner commission	1,329.74	671.05
		1,329.74	671.05
33	**Impairment on financial instruments**		
	Expected credit loss allowance	461.24	1,999.90
	Write offs	3,550.96	1,412.03
		4,012.20	3,411.93
34	**Employee benefits expense**		
	Salaries, wages and bonus	1,031.40	716.97
	Contribution to provident and other funds	15.04	11.63
	Gratuity expenses (refer note 38)	13.36	10.44
	Share based payment to employees **	133.48	73.56
	Staff welfare expenses	41.94	27.26
		1,235.22	839.86

** Includes 12.39 millions of warrants issued by Group Company (DMI Housing Finance) to employees of the Company

35	**Depreciation and amortization**		
	Depreciation on property, plant and equipment (See note 12)	43.64	31.75
	Amortisation of right of use assets (See note 14)	48.87	50.84
	Amortisation of other intangible assets (See note 15)	15.69	16.09
		108.20	98.68
36	**Other expenses**		
	Advertisement expenses	25.10	8.85
	Legal and professional fees*	867.74	587.71
	Travelling and conveyance expenses	73.64	10.48
	Auditor's remuneration (refer note 36.1)	4.84	4.05
	IT expenses	487.78	255.21
	Rates and taxes	7.00	1.76
	Rent	10.69	4.58
	Goods and service tax	420.12	198.45
	Director's sitting fee	0.76	0.68
	Corporate social responsibility (refer note 36.2)	16.25	17.40
	Repair and maintenance	25.94	14.55
	Insurance expense	0.10	0.24
	Credit evaluation fee	328.60	151.27
	Credit rating fee	9.93	5.24
	Customer onboarding expenses	0.06	0.07
	Assets held for sale written off	68.88	45.97
	Miscellaneous expenses	135.03	80.18
		2,482.46	1,386.69

* includes share warrant expense amounting to Rs. 40.79 millions (previous year Rs. 32.44 millions)

36.1	**Auditor's remuneration (excluding applicable taxes)**		
	- as auditors	3.36	2.80
	- for tax services	0.36	0.30
	- for other services*	1.12	0.95
		4.84	4.05

* Includes amount of INR 0.15 million paid to erstwhile auditor in previous year

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36.2 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was Rs. 16.25 millions in FY 2022-23 (Previous Year Rs. 17.40 millions) and Company has spent Rs. 15.32 millions in FY 2022-23 (Previous Year Rs. 17.40 millions).

	Year ended March 31,2023	Year ended March 31,2022
Gross amount unspent for the last year	-	-
Gross amount required to be spent by the Company during the year	16.25	17.40
Amount spent during the year	15.33	17.40
Construction/acquisition of any asset	-	-
Paid in cash	15.33	17.40
Yet to be paid in cash	0.92	-
Nature of CSR Activities		
Education, Nutrition and Women Empowerment	9.83	14.16
Promoting and development towards healthcare	-	2.74
Promoting Indian Classical art and culture among youth	-	0.50
Training and helping Indian Athletes to win Olympic Gold medals	-	-
Provide supporting in eradication of hunger	-	-
Upliftment of abandoned and poor	4.00	-
Provision of low cost sanitation	1.50	-

Notes :

a) There is no transaction with related parties as defined under the IND AS 24 'Related Party Disclosures'

b) There is a provision of 0.92 millions in the books as at March 31, 2023

37 Earning per share (EPS)

	Year ended March 31,2023	Year ended March 31,2022
Net profit attributable to equity shareholders	3,240.16	577.80
Net profit for the year for basic EPS	3,240.16	577.80
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	3,240.16	577.80
Nominal value of equity shares (in Rs.)	10.00	10.00
Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)	65,67,16,725	64,77,49,654
Convertible instruments	98,34,747	1,21,00,997
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	66,65,51,472	65,98,50,651
Basic EPS	4.93	0.82
Dilutive EPS	4.86	0.81

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38 Retirement benefit plan

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 15.04 millions (previous year: Rs. 11.63 millions) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive Income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	32.58	22.78
Current service cost	11.02	8.90
Interest cost	2.34	1.54
Benefits Paid	(2.21)	(0.12)
Remeasurement (gain) / loss	(5.53)	(0.52)
Balance at the end of the year	**38.20**	**32.58**

Amount recognised in the statement of profit and loss is as under:	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	11.02	8.90
Interest cost on defined benefit obligation	2.34	1.54
Net Impact on profit before tax	**13.36**	**10.44**

Amount recognised in the other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(1.00)	(2.05)
Experience adjustments	(4.53)	1.54
Impact on other comprehensive income	**(5.53)**	**(0.52)**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the company's plans are shown below:

Economic assumptions		
Discount rate	7.36%	7.18%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

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Sensitivity analysis for gratuity liability	Year ended March 31, 2023	Year ended March 31, 2022
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(2.75)	(2.37)
Impact due to decrease of 0.50 %	3.05	2.61
Impact of the change in salary increase		
Impact due to increase of 0.50 %	2.34	2.63
Impact due to decrease of 0.50 %	(2.16)	(2.40)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2023	As at March 31, 2022
0 to 1 year	0.74	0.49
1 to 2 year	0.54	0.52
2 to 3 year	0.60	0.52
3 to 4 year	0.65	0.55
4 to 5 year	0.89	0.55
5 to 6 year	0.88	0.70
6th year onwards	33.90	29.25
Total expected payments	**38.20**	**32.58**

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 20.21 years (Previous year : 20.17 years)

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39 Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for its group employees. Details of all grants in operation during the year ended March 31, 2023 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of options granted	Method of settlement	Graded vesting period *	Number of employees to whom options were granted	First vesting date	Exercise period **	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	01-Apr-19	11-02-2020	6,25,248	Shares	See Below	47	31-03-2020	5 years	As per plan	95.49	95.49
DMI ESOP Retention Plan 2019	16-Mar-20	11-02-2020	13,35,000	Shares	See Below	13	15-03-2021	5 years	As per plan	100.00	101.87
DMI ESOP plan 2018	19-Mar-18	16-03-2018	23,038	Shares	See Below	6	18-03-2019	5 years	As per plan	43.90	22.81
DMI Retention Plan, 2018	01-Apr-18	16-03-2018	10,69,927	Shares	See Below	19	31-03-2019	5 years	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme	01-Oct-18	01-10-2018	5,79,148	Shares	See Below	5	30-09-2019	5 years	As per plan	62.21	95.49
DMI ESOP Plan, Legacy Scheme	01-Apr-18	16-03-2018	2,81,354	Shares	See Below	5	31-03-2019	5 years	As per plan	13.29	24.68
DMI Employment Contract 2020	16-Feb-21	09-04-2020	23,068	Shares	See Below	1	15-02-2022	5 years	As per plan	113.34	113.34
DMI Retention Bonus (NBFC Apr'20)	21-Apr-20	09-04-2020	2,75,000	Shares	See Below	14	31-03-2021	5 years	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	01-Apr-20	09-04-2020	3,63,094	Shares	See Below	48	31-03-2021	5 years	As per plan	116.36	116.36
DMI Variable2019-20	01-Jan-21	09-04-2020	9,865	Shares	See Below	2	31-03-2021	5 years	As per plan	113.34	113.34
DMI Finance Plan 2021	01-Apr-21	21-06-2021	3,52,939	Shares	See Below	63	01-04-2022	5 years	As per plan	113.34	113.00
DMI Finance Plan 2021	01-Apr-21	21-06-2021	2,00,000	Shares	See Below	1	01-04-2022	5 years	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	01-Apr-21	21-06-2021	2,70,000	Shares	See Below	24	01-04-2024	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	21-06-2021	30,11,000	Shares	See Below	98	27-07-2024	5 years	As per plan	112.86	112.86
DMI Employment Contract 2021-22 - II	20-Dec-21	21-06-2021	12,210	Shares	See Below	1	20-12-2024	5 years	As per plan	209.00	209.00
DMI ESOP Plan, Management - III	15-Jan-22	21-06-2021	18,315	Shares	See Below	1	15-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - III	28-Jan-22	21-06-2021	6,105	Shares	See Below	1	28-01-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - IV	01-Mar-22	21-06-2021	7,326	Shares	See Below	1	01-03-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - V	07-Mar-22	21-06-2021	3,663	Shares	See Below	1	07-03-2025	5 years	As per plan	209.00	209.00
DMI Finance ESOP Plan 2022 - I	1-Apr-22	20-05-2022	5,01,364	Shares	See Below	127	01-04-2023	5 years	As per plan	212.81	212.81
DMI Finance ESOP Plan 2022 - II	1-Jul-22	20-05-2022	2,497	Shares	See Below	1	01-04-2023	5 years	As per plan	212.81	212.81
Employment Contract - Aug'22 - II	12-Aug-22	12-08-2022	1,670	Shares	See Below	1	12-08-2025	5 years	As per plan	217.77	217.77
Employment Contract - Aug'22 - III	25-Aug-22	12-08-2022	1,670	Shares	See Below	1	25-08-2025	5 years	As per plan	217.77	217.77
Employment Contract - Jun'22	22-Jun-22	12-08-2022	5,945	Shares	See Below	1	22-06-2025	5 years	As per plan	212.81	212.81
Employment Contract - Mar'23	1-Mar-23	27-03-2023	29,154	Shares	See Below	2	01-03-2026	5 years	As per plan	225.11	225.11
Employment Contract - Nov'22	10-Nov-22	14-11-2022	2,188	Shares	See Below	1	10-11-2025	5 years	As per plan	221.53	217.77
Employment Contract - Sep'22	30-Sep-22	14-11-2022	2,188	Shares	See Below	1	30-09-2025	5 years	As per plan	221.53	217.77
Employment Contracts - Apr'22	28-Apr-22	20-05-2022	1,784	Shares	See Below	1	28-04-2025	5 years	As per plan	212.81	212.81
Employment Contracts - Jul'22	1-Jul-22	12-08-2022	30,000	Shares	See Below	3	01-07-2025	5 years	As per plan	217.77	217.77
Employment Contracts - May'22	4-May-22	20-05-2022	30,000	Shares	See Below	1	04-05-2025	5 years	As per plan	212.81	212.81
Founder Circle Award 2022-23 (NBFC Feb'23)	1-Feb-23	27-03-2023	1,00,48,700	Shares	See Below	150	01-02-2028	6 years	As per plan	225.11	225.11
Total			1,91,23,461			642					

Graded vesting period*

*1 As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

*2. For Schemes Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21), DMI Employment Contract 2021-22 - I, DMI Employment Contract 2021-22 - IV, Employment Contract - Aug'22 - II, Employment Contract - Aug'22 - III, Employment Contract - Jun'22, Employment Contract - Mar'23, Employment Contract - Nov'22, Employment Contract - Sep'22, Employment Contracts - Apr'22, Employment Contracts - Jul'22 and Employment Contracts - May'22 options will vest on completion of three years from the grant dates respectively.

*3 For Scheme Founder Circle Award 2022-23 (NBFC Feb'23) options will vest on completion of five years from the grant date.

Exercise period **

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date

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II. Reconciliation of options
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Scheme Name	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	24,527	-	1,489	-	23,038	0.08
DMI Retention Plan, 2018	10,90,536	-	20,609	-	10,69,927	0.50
DMI ESOP Plan, Management Scheme	5,86,222	-	-	7,074	5,79,148	0.50
DMI ESOP Plan, Legacy Scheme	3,14,148	-	32,794		2,81,354	-
DMI ESOP PLAN 2019	6,46,899	-	7,497	14,154	6,25,248	1.00
DMI ESOP RETENTION PLAN 2019	14,00,000	-	-	65,000	13,35,000	2.06
DMI Employment Contract 2020	23,068	-	-	-	23,068	2.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000	-	-	3,05,000	2,75,000	2.06
DMI Finance ESOP Plan 2020	3,88,823	-	7,529	18,200	3,63,094	2.00
DMI Variable2019-20	9,865	-	-	-	9,865	2.76
DMI Finance Plan 2021	4,33,708	-	4,823	75,946	3,52,939	3.00
DMI Finance Plan 2021	2,00,000	-	-	-	2,00,000	3.00
Founder Circle Award 2020-21 (NBFC Apr'21)	4,30,000	-	-	1,60,000	2,70,000	3.00
Founder Circle Award 2020-21 (NBFC Jul'21)	37,23,000	-	-	7,12,000	30,11,000	3.32
DMI Employment Contract 2021-22 - I	2,222	-	-	2,222	-	3.64
DMI Employment Contract 2021-22 - II	12,210	-	-	-	12,210	3.72
DMI ESOP Plan, Management - III	18,315	-	-	-	18,315	3.79
DMI Employment Contract 2021-22 - III	6,105	-	-	-	6,105	3.83
DMI Employment Contract 2021-22 - IV	7,326	-	-	-	7,326	3.92
DMI Employment Contract 2021-22 - V	3,663	-	-	-	3,663	3.93
DMI Finance ESOP Plan 2022 - I	-	5,18,651	-	17,287	5,01,364	4.00
DMI Finance ESOP Plan 2022 - II	-	2,497	-	-	2,497	4.25
Employment Contract - Aug'22 - II	-	1,670	-	-	1,670	4.37
Employment Contract - Aug'22 - III	-	1,670	-	-	1,670	4.40
Employment Contract - Jun'22	-	5,945	-	-	5,945	4.23
Employment Contract - Mar'23	-	29,154	-	-	29,154	4.92
Employment Contract - Nov'22	-	2,188	-	-	2,188	4.61
Employment Contract - Sep'22	-	2,188	-	-	2,188	4.50
Employment Contracts - Apr'22	-	1,784	-	-	1,784	4.08
Employment Contracts - Jul'22	-	30,000	-	-	30,000	4.25
Employment Contracts - May'22	-	30,000	-	-	30,000	4.09
Founder Circle Award 2022-23 (NBFC Feb'23)	-	1,00,48,700	-	-	1,00,48,700	5.84
Total	99,00,637	1,06,74,447	74,741	13,76,882	1,91,23,461	

March 31, 2022

Scheme Name	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	2,97,496	-	24,527	0.96
DMI Retention Plan, 2018	14,83,941	-	3,96,642	-	10,90,536	1
DMI ESOP Plan, Management Scheme	6,04,396	-	18,174	-	5,86,222	1.5
DMI ESOP Plan, Legacy Scheme	18,27,677	-	15,13,529	-	3,14,148	1
DMI ESOP PLAN 2019	6,88,660	-	41,761	-	6,46,899	2
DMI ESOP RETENTION PLAN 2019	14,00,000	-	-	-	14,00,000	2.96
DMI Employment Contract 2020	23,068	-	-	-	23,068	3.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000	-	-	-	5,80,000	3
DMI Finance ESOP Plan 2020	3,99,387	-	10,564	-	3,88,823	3
DMI Variable2019-20	11,355	-	1,490	-	9,865	3.76
DMI Finance Plan 2021	-	4,33,708	-	-	4,33,708	4.01
DMI Finance Plan 2021	-	2,00,000	-		2,00,000	4.01
Founder Circle Award 2020-21 (NBFC Apr'21)	-	4,30,000	-	-	4,30,000	4.01
Founder Circle Award 2020-21 (NBFC Jul'21)	-	37,23,000	-	-	37,23,000	4.33
DMI Employment Contract 2021-22 - I	-	2,222	-	-	2,222	4.64
DMI Employment Contract 2021-22 - II	-	12,210	-	-	12,210	4.73
DMI ESOP Plan, Management - III	-	18,315	-	-	18,315	4.8
DMI Employment Contract 2021-22 - III	-	6,105	-	-	6,105	4.83
DMI Employment Contract 2021-22 - IV	-	7,326	-	-	7,326	4.92
DMI Employment Contract 2021-22 - V	-	3,663	-	-	3,663	4.94
Total	73,40,507	48,36,549	22,79,656	-	99,00,637	

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III. Computation of fair value

For undertaking fair valuation of ESOP, the Company is using Black-Scholes Model.

Scheme Name	Fair market value of shares (Rs.)	Volatility	Risk free rate	Dividend Yield	Exercise price (Rs.)	Option fair value
DMI ESOP PLAN 2019	95.49	30.00%	7.35%	-	95.49	38.86
DMI ESOP RETENTION PLAN 2019	101.87	30.00%	6.50%	-	100.00	40.75
DMI ESOP PLAN 2018	22.81	15.00%	6.00%	-	43.90	0.67
DMI Retention Plan, 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme	95.49	15.00%	7.50%	-	62.21	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Employment Contract 2020	113.34	30.00%	6.14%	-	113.34	43.35
DMI Retention Bonus (NBFC Apr'20)	116.36	30.00%	6.14%	-	116.36	44.51
DMI Finance ESOP Plan 2020	116.36	30.00%	6.14%	-	116.36	44.51
DMI Variable2019-20	113.34	30.00%	6.14%	-	113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.34	43.49
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.00	43.30
Founder Circle Award 2020-21 (NBFC Apr'21)	113.00	30.00%	6.14%	-	113.34	43.49
Founder Circle Award 2020-21 (NBFC Jul'21)	112.86	30.00%	6.14%	-	112.86	43.17
DMI Employment Contract 2021-22 - I	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - II	209.00	30.00%	6.60%	-	209.00	81.89
DMI ESOP Plan, Management - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - IV	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - V	209.00	30.00%	6.60%	-	209.00	81.89
DMI Finance ESOP Plan 2022 - I	212.81	29.82%	6.83%	-	212.81	84.13
DMI Finance ESOP Plan 2022 - II	212.81	29.82%	6.83%	-	212.81	84.13
Employment Contract - Aug'22 - II	217.77	29.91%	7.65%	-	217.77	89.83
Employment Contract - Aug'22 - III	217.77	29.91%	7.65%	-	217.77	89.83
Employment Contract - Jun'22	212.81	29.82%	6.83%	-	212.81	84.13
Employment Contract - Mar'23	225.11	29.91%	7.65%	-	225.11	92.86
Employment Contract - Nov'22	217.77	29.91%	7.65%	-	221.53	88.32
Employment Contract - Sep'22	217.77	29.91%	7.65%	-	221.53	88.32
Employment Contracts - Apr'22	212.81	29.82%	6.83%	-	212.81	84.13
Employment Contracts - Jul'22	217.77	29.91%	7.65%	-	217.77	89.83
Employment Contracts - May'22	212.81	29.82%	6.83%	-	212.81	84.13
Founder Circle Award 2022-23 (NBFC Feb'23)	225.11	29.91%	7.65%	-	225.11	103.28

The Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Company. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Company recognise share based compensation in the Statement of Profit and Loss with a corresponding credit to Share based payments outstanding reserve.

The Company has entered into cost chargeback agreement with the granter and post this agreement the Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Company, to DMI Housing Finance Private Limited. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account viz Share Options Outstanding Account disclosed under notes.

During the Financial year 2018-19, as per the scheme options were granted to employees of the Granter. The Company has recognised the expense of Rs. 0.07 Millions (previous year: Rs. 0.70 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 10.06 millions as on March 31,2023 (Rs. 9.99 Millions as on March 31, 2022).

The employees' compensation expense for Stock options during the year ended 31 March 2023 amounts to Rs. 133.41 millions (previous year Rs. 72.86 millions).

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DMI Finance Private Limited
Notes to the standalone financial statements
(All Amount in Rs. In millions, unless otherwise stated)

40 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Subsidiaries
DMI Management Services Private Limited
DMI Capital Private Limited
Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director (upto 14 November 2022)
Mr. Nipender Kochhar	Director
Mr. Krishan Gopal	Chief Financial Officer
Mr. Sahib Pahwa	Company Secretary
Mr. Alfred Mendoza	Nominee Director (w.e.f 14 November 2022)

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2V2, Partnership Firm
DMI Alternative Investment Fund
Quickwork Technologies Private Limited

Entity with Significant influence
Ganesha Fixed Income Limited

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
DMI Housing Finance Private Limited	Cost share recovery	63.09	59.70
	Share based payment	12.45	0.70
	Reimbursement of expense paid by related party on behalf of entity	4.00	3.67
DMI Management services Private Limited	Cost share recovery	0.06	0.06
DMI Capital Private Limited	Cost share recovery	0.60	0.60
	Share based payment	0.81	-
DMI Alternatives Private Limited	Cost share recovery	88.21	60.70
	Share based payment	0.85	0.13
	Reimbursement of expense incurred on behalf of related party	1.34	5.49
Ganesha Fixed Income Limited	Interest expenses	11.39	11.39
Appnit Technologies Pvt Ltd	Cost share recovery	13.85	-
	Reimbursement of expense paid by related party on behalf of entity	1.65	-
	Other expenses	13.20	-

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Name of related party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Sahib Pahwa*	Interest income	-	0.03
	Remuneration	6.03	5.18
	Loan received back	-	0.51
Mrs. Bina Singh	Sitting fee	0.14	0.12
	Share Warrants Expense	-	0.77
Mr. Yuvraja Chanakya Singh	Remuneration	42.56	35.20
	Post employment benefits	0.36	0.36
Mr. Shivashish Chatterjee	Remuneration	41.40	26.31
	Post employment benefits	0.36	0.36
Mrs. Jayati Chatterjee	Sitting fees	0.24	0.22
	Share Warrants Expense	-	0.77
Mr. Gurcharan Das	Sitting fees	0.14	0.12
	Share Warrants Expense	-	0.77
Mr. Nipender Kochhar	Sitting fees	0.24	0.22
	Share Warrants Expense	-	0.77
Mr. Krishan Gopal*	Remuneration	10.69	9.35
Quickwork Technologies Private Limited	Other Expenses	5.81	1.08
Ms. Paromita Chatterjee	Consultancy Fee	1.19	0.70

*Remuneration does not include post employment benefits

(c) Outstanding balances with related parties:

Name of related party	Nature of balances	As at March 31, 2023	As at March 31, 2022
DMI Alternatives Private Limited	Employee Stock Option Plan recoverable	4.10	4.96
	Trade Receivable	26.98	-
DMI Capital Private Limited	Employee Stock Option Plan recoverable	0.81	-
DMI Housing Finance Private Limited	Employee Stock Option Plan payable	22.45	9.99
	Corporate Guarantee	3,878.97	4,329.99
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	134.00	134.00

(d) Disclosure pursuant to Schedule V of Clause A (2) of Regulation 53(f) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015:
There is no loan or advance given by the Company to either holding company or subsidiary companies.

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41 The date on which the Code on Social Security, 2020(the "Code") relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalized. The Company will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.

42 In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by Company exceeds the total Provision required under IRACP (including Standard Asset provisioning).as at March 31, 2023 and accordingly no amount is required to be transferred to impairment reserve

43 Capital

The Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company endeavours to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2023	As at March 31, 2022
CRAR - Tier I capital (%)	49.94%	57.46%
CRAR - Tier II capital (%)	0.93%	3.85%
CRAR (%)	50.87%	61.31%

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

44 Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
Contingent liabilities not provided in respect of:		
i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	3,878.97	4,329.99
ii.Guarantees issued by bankers on behalf of Company	-	-
Claims against the Company not acknowledged as debt		
i. Income tax (note 2)	2.26	2.26

Notes :

1. The Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 3,878.97 million as at March 31, 2023 (March 31,2022: Rs. 4,329.99 million)

2. During the previous year, the Company has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of Rs.6.42 millions on account of disallowance of deduction under section 80G of the Income-tax Act, 1961. The Company has appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of Rs. 2.26 million but the Company has already paid the taxes more than by Rs. 2.31 million therefore, the Company is not required to pay any additional demand. In presence of favourable case laws and judicial precedents wherein similar facts have been addressed, the Company expects that the additional demand will be deleted by CIT (A). Hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

b. Commitments	As at March 31, 2023	As at March 31, 2022
Commitments for acquisition of property, plant and equipment (net of advances)	4.05	18.25
Commitments for intangible assets under development (net of advances)	2.90	-

c. Others

In case of un-disbursed loan facility, the Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn commitment for the Company are amounting to Nil (previous year Rs. Nil).

d. The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

e. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

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45 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2021	18,551.69	1,181.19	242.29	19,975.17
Cash flows:				
- Repayment	-	(1,077.84)	(57.10)	(1,134.94)
- Proceeds	-	8,850.00	-	8,850.00
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	0.58	12.18	-	12.76
- Additions during the year	-	-	75.08	75.08
- Others	-	-	16.09	16.09
March 31, 2022	18,552.27	8,965.53	276.36	27,794.16
Cash flows:				
- Repayment	(3,219.16)	(16,664.49)	(70.67)	(19,954.32)
- Proceeds	1,500.00	31,517.19	-	33,017.19
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	4.80	70.28	-	75.08
- Additions during the year	-	-	10.27	10.27
- Others	-	-	26.33	26.33
March 31, 2023	16,837.91	23,888.51	242.29	40,968.71

46 Leases

The Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.
The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	234.95	210.71
Additions made during the year	10.27	75.08
Amortisation on right of use assets	48.87	50.84
Balance at the end of the year	196.35	234.95

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	276.36	242.29
Additions made during the year	10.27	75.08
Interest accretion for the year	26.33	16.09
Payments made during the year	(70.67)	(57.10)
Balance at the end of the year	242.29	276.36

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2030-31.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2023	March 31, 2022
Depreciation expense in respect of right-of-use asset	48.87	50.84
Interest expense in respect of lease liabilities	26.33	16.09
Expense relating to short-term leases (included on other expenses)	10.69	4.58
Total amount recognised in profit or loss	85.89	71.51

The Company's total cash outflows for leases was Rs 70.67 Millions during the year (previous year Rs 57.10 Millions)

Maturity Analysis of Lease Liabilities

Particulars	March 31, 2023	March 31, 2022
Upto 1 month	4.27	2.65
Over 1month to 2 month	4.30	2.83
Over 2 months to 3 months	4.36	3.82
Over 3 months to 6 months	13.47	11.66
Over 6 months to 1 year	28.37	24.02
Over 1year to 3 years	71.63	80.24
Over 3 years and upto 5 years	79.71	72.20
Over 5 years	36.18	78.94
Total	242.29	276.36

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47 **Tax expenses**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are :

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	1,520.76	645.05
Deferred tax credit	(382.34)	(441.32)
Income tax expense reported in the statement of profit or loss	**1,138.42**	**203.73**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (March31, 2022: 25.17%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	4,378.58	781.53
Income-tax rate	25.17%	25.17%
Expected tax expense	**1,102.00**	**196.70**
Expenditure on Corporate Social Responsibility disallowed u/s 37	4.09	4.38
Interest paid to Associated Enterprise disallowed u/s 94B	2.87	-
Reversal of DTA on Interest Paid to Associated Enterprise	31.39	-
Capital Expenditure disallowed u/s 37	0.63	2.08
Others	(2.56)	0.57
Tax expense	**1,138.42**	**203.73**

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DMI Finance Private Limited
Notes to the standalone financial statements
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48 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	5,628.39	-	**5,628.39**	6,533.27	-	**6,533.27**
Bank balance other than cash and cash equivalents	421.78	138.32	**560.10**	294.45	-	**294.45**
Trade receivables	308.05	-	**308.05**	57.07	-	**57.07**
Loans	46,041.37	21,289.96	**67,331.33**	30,117.80	16,683.35	**46,801.15**
Investments	4,194.09	4,271.05	**8,465.14**	6,960.76	3,728.10	**10,688.86**
Other financial assets	983.85	105.70	**1,089.55**	847.73	760.35	**1,608.08**
Non- financial assets						
Current tax assets (net)	185.78	-	**185.78**	284.71	-	**284.71**
Deferred tax assets (net)	-	1,127.16	**1,127.16**	-	803.53	**803.53**
Property, plant and equipment	-	140.53	**140.53**	-	104.18	**104.18**
Capital work in progress	-	-	-	-	23.27	**23.27**
Right to use assets	52.61	143.74	**196.35**	50.30	184.65	**234.95**
Intangible assets	-	21.66	**21.66**	-	31.41	**31.41**
Intangible assets under development	-	8.78	**8.78**	-		
Other non- financial assets	163.42	2.24	**165.66**	103.56	-	**103.56**
Assets held for sale	75.00	-	**75.00**	143.88	-	**143.88**
	58,054.34	27,249.14	85,303.48	45,393.53	22,318.84	67,712.37
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	8.97	-	**8.97**	94.79	-	**94.79**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,133.20	-	**1,133.20**	659.67	-	**659.67**
B) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	525.06	-	**525.06**	379.87	-	**379.87**
Debt securities	15,353.00	1,484.91	**16,837.91**	3,200.00	15,352.27	**18,552.27**
Borrowings (other than debt securities)	12,123.90	11,764.61	**23,888.51**	3,397.96	5,567.57	**8,965.53**
Lease liabilities	54.77	187.52	**242.29**	44.99	231.37	**276.36**
Other financial liabilities	226.08	57.90	**283.98**	162.87	-	**162.87**
Non financial liabilities						
Provisions	2.48	93.87	**96.35**	1.82	75.43	**77.25**
Other non-financial liabilities	221.33	4.71	**226.04**	62.89	-	**62.89**
Equity						
Equity share capital	-	6,567.75	**6,567.75**	-	6,567.00	**6,567.00**
Other equity	-	35,493.42	**35,493.42**	-	31,913.87	**31,913.87**
	29,648.79	55,654.69	85,303.48	8,004.86	59,707.51	67,712.37

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
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49 Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

(Amount in Rs. Crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,892.61	164.19	6,728.42	27.57	136.62
	Stage 2	347.47	183.17	164.30	1.39	181.78
Subtotal		**7,240.08**	**347.36**	**6,892.72**	**28.96**	**318.40**
Non-Performing Assets (NPA)						
Substandard	Stage 3	175.48	69.05	106.43	17.55	51.50
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	95.16	91.46	3.70	28.55	62.91
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**95.16**	**91.46**	**3.70**	**28.55**	**62.91**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**270.64**	**160.51**	**110.13**	**46.10**	**114.41**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	6,892.61	164.19	6,728.42	27.57	136.62
	Stage 2	347.47	183.17	164.30	1.39	181.78
	Stage 3	270.64	160.51	110.13	46.10	114.41
	Total	7,510.72	507.87	7,002.85	75.06	432.81

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
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(All Amount in Rs. In millions, unless otherwise stated)

58 **Events occurring after reporting date**
There are no significant events after the reporting period which require any adjustment or disclosure in the financial statements.

59 Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.

60 There is no change in the Statutory auditor of the Company in the current year.

61 There are no events observed after the reported period which have an impact on the Company's operation.

62 The financial statements were approved for issue by Board of Directors on May 22 , 2023.

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No. 087701

Place: GURUGRAM
Date: 22 MAY, 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22 MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahil Pahwa
(Company Secretary)
M. No. A24789
Place: NEW DELHI
Date: 22 MAY, 2023

55 (a) Details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework – 1.0) and May 5, 2021 (Resolution Framework 2.0) are given below:

(Amount in Rs. crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A) March 31,2022	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the -year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year March 31,2023
Personal loans					
Of which MSMEs	1.66	-	-	1.35	0.31
Others	36.71	1.01	5.43	16.28	13.99
Corporate Persons*	-	-	-	-	-
Total	38.37	1.01	5.43	17.63	14.31

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

55 (b) Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions,2021 in terms of RBI circular RBI/DOR/2021-22 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021:

A. Details of stressed loans transferred during the year ended March 31,2023

Particulars		To ARCs	To permitted transferees
i. No. of accounts	No's	1	8783
ii. Aggregate principal outstanding of loans transferred	Rs.crores	15.41	32.51
iii. Weighted average residual tenor of the loans transferred		-	-
iv Net book value of loans transferred (at the time of transfer)	Rs.crores	4.02	-
v. Aggregate consideration	Rs.crores	6.99	2.67
vi. Additional consideration realized in respect of accounts transferred in earlier years		-	-

B. Details of loans acquired during the year

		From lenders *	From ARCs
i. Aggregate principal outstanding of loans acquired	Rs.crores	-	-
ii. Aggregate consideration paid	Rs.crores	-	-
iii. Weighted average residual tenor of loans acquired		-	-

* Lenders listed in clause 3 of the Reserve Bank of India (Transfer of Loan Exposures) Directions,2021 in terms of RBI circular RBI/DOR/2021-22 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021:

56 Disclosure on significant ratios:

Particulars	Description	As at March 31, 2023	As at March 31, 2022
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities)] / Total equity	0.97	0.72
Net profit margin	Net profit after tax / total revenue from operations	19.79%	6.45%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)] / Total assets	47.74%	40.64%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	3.60%	2.18%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	1.50%	0.31%
Asset cover ratio (number of times)*	Amount of secured assets / Secured debt	1.28	1.79
Provision coverage ratio (%)	(Impairment loss allowance for Stage III / Gross Stage III loans EAD)	59.31%	86.13%

* Asset Cover ratio is given for listed non convertible debt securities only.

57 Other Statutory Information

i. During the current financial year, Company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

ii. Penalties imposed by the regulator during the financial year ended 31 March, 2023 are mentioned in Note 54.

iii. There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961.

iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v. The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii. The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.
Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

ix. The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2023 and March 31, 2022.

x. There are no transactions of undisclosed income not recorded in the books of accounts.

xi. The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

xii. The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

xiii. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

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B Liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 31, 2023 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

i) Funding concentration based on significant counterparty (refer note 1 below)

(Amount in Rs. crores)

Number of significant counterparties	Number of counterparties	Amount*	% of Total deposits	% of Total liabilities
As at 31 March 2023	15	3,926.68	-	90.81%
As at 31 March 2022	12	2,737.79	-	93.66%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.
*Above mentioned amount includes borrowing through PTC amounting to Rs 291.20 Cr, which has been considered as a single counterparty.

ii) Top 20 large deposits

There are no deposits accepted by the Company during the year as Company is non-deposit taking NBFC.

iii) Top 10 borrowings

(Amount in Rs. crores)

	Total amount of top 10 borrowings *	Percentage of amount of top 10 borrowings to total borrowings
As at 31 March 2023	3,655.29	89.13%
As at 31 March 2022	2,680.51	96.84%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.
*Above mentioned amount includes borrowing through PTC amounting to Rs 291.20 Cr, which has been considered as a single counterparty.

iv) Funding Concentration based on significant instrument/product (refer note 2 below)

(Amount in Rs. crores)

Nature of significant instrument/product	As at March 31, 2023		As at March 31, 2022	
	Amount*	% of Total liabilities	Amount*	% of Total liabilities
Non-convertible debentures	1,704.64	39.42%	1,870.87	64.00%
Term loans	2,055.57	47.54%	872.35	29.84%
PTC borrowings	291.20	6.73%	-	-
Cash Credit	49.63	1.15%	-	-
Total	4,101.04	94.84%	2,743.22	93.84%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

v) Stock ratios:

(Amount in Rs. crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amount	% of Total public funds	% of Total liabilities	% of Total assets	Amount	% of Total public funds	% of Total liabilities	% of Total assets
Commercial papers	-	-	-	-	-	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-	-	-
Other short-term liabilities (refer note 20 and note 3 below)	245.26	5.98%	5.67%	2.88%	248.43	8.30%	8.50%	3.67%

	As at March 31, 2023	As at March 31, 2022
Total public funds (refer note 4 below)	4,101.04	2,991.65
Total liabilities	4,324.23	2,923.15
Total assets	8,530.35	6,771.24

Note

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.

4) Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

vi) Institutional set-up for liquidity risk management

Refer note 51(A): Risk management structure and 51(B) Liquidity risk and funding management for institutional set-up for liquidity risk management.

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(Amount in Rs. crores)

A. Liquidity coverage ratio	As at June 30, 2022		As at September 30, 2022		As at December 31, 2022		As at March 31, 2023	
	Total un-weighted amount (Average)	Total weighted amount (Average)	Total un-weighted amount (Average)	Total weighted amount (Average)	Total un-weighted amount (Average)	Total weighted amount (Average)	Total un-weighted amount (Average)	Total weighted amount (Average)
High Quality Liquid Assets (HQLAs)	468.95	468.95	512.91	512.91	416.92	416.92	381.19	381.19
Total High Quality Liquid Assets (HQLA)	**468.95**	**468.95**	**512.91**	**512.91**	**416.92**	**416.92**	**381.19**	**381.19**
Cash Outflows								
Deposits (for deposit taking companies)							-	
Unsecured wholesale funding	7.66	8.81	72.45	83.32	56.51	64.98	10.98	12.63
Secured wholesale funding	58.52	67.30	223.12	256.59	200.16	230.18	277.16	318.73
Additional requirements, of which	-	-	-	-	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	51.95	59.74	59.40	68.31	65.83	75.70	96.85	111.38
Other contingent funding obligations	-	-	-	-	-	-	-	-
TOTAL CASH OUTFLOWS	**118.13**	**135.85**	**354.97**	**408.22**	**322.49**	**370.86**	**384.99**	**442.74**
Cash Inflows								
Secured lending	83.20	62.40	77.56	58.17	71.53	53.65	48.75	36.57
Inflows from fully performing exposures	808.14	606.10	1,105.67	829.25	1,030.29	772.72	940.27	705.20
Other cash inflows	1.71	1.29	0.71	0.53	1.93	1.45	3.65	2.74
TOTAL CASH INFLOWS	**893.06**	**669.79**	**1,183.93**	**887.95**	**1,103.76**	**827.82**	**992.68**	**744.51**
Total HQLA		468.95		512.91		416.92		381.19
Total net cash outflows		33.96		102.05		92.72		110.69
Liquidity coverage ratio (%)		1381%		503%		450%		344%

Notes:

1 The components of LCR is arrived at by taking a stock approach whereby from the month end outstanding of each component (as financial records), the portion expected to be paid in the next 30 days is considered.

2 The Average LCR is computed as simple averages of daily observations over the previous quarter.

3 Interest accrued but not due to be paid for the subsequent month is considered.

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54 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

(i) **Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time**
The numerator of LCR is driven by the quantum and composition of High Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows.

(a) Composition of HQLA
HQLAs comprise of Cash and cash equivalents which include cash in hand and balances with scheduled commercial banks, including any fixed deposit with original maturity less than 3 months and liquid mutual funds.

(b) Unsecured and secured wholesale funding
Borrowing maturities falling due in the next 30 days form a major component of cash outflows. It includes all NCD, Term Loan & CC form of funding. Unsecured wholesale funding includes Unsecured NCDs.

(c) Outflows related to derivative exposures and other collateral requirements
During the reporting period, the Company did not have any derivative exposure.

(d) Other contractual funding obligations
Other contractual funding obligations are taken from other financial liabilities that includes, Trade Payable, Current tax liabilities, Other non-financial liabilities and other operating expenses that are not due shown in the Balance Sheet which are expected to be paid in the next 30 days.

(e) Other contingent funding obligations
Undrawn committed credit lines loans form a part of other contingent funding obligations.

(f) Secured lending
Secured Lending Inflows include the Principal inflows from the Wholesale Exposure of the Loan Book.

(g) Inflows from fully performing exposures
This head includes the Unsecured principal inflows from the Unsecured exposure of the loan book.

(h) Other inflows
For the LCR calculation, under other inflows, the major components are Interest Income, Penal Interest, Cash Income, PF Income, Trade receivables, balance with tax authorities which includes tax input credit and receivables from collection agencies and channel partners maturing in next 30 days.

(ii) **Intra period changes and changes over time**
The Company endeavors to maintain a healthy level of LCR at all points of time. The LCR table shows the movement of changes in each component over the reporting period. The average LCR moved from 1381% for the quarter ended June 30, 2022 to 344% for the quarter ended March 31, 2023.

(iii) **Concentration of funding sources**
The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee of the Board (ALCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board. The Company maintains a robust funding profile, which is periodically monitored and reviewed by ALCO.

The Company has a diversified funding profile in the form of Bank term loans and Non-convertible debentures which are long-term in nature. Also, the Company has availed Working Capital Demand loan (WCDL) from various Banks. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of investors / bankers who have funded the Company through various funding instruments.

(iv) **Derivative exposures and collateral calls**
The Company did not indulge in derivative trading activities and hence was not exposed to derivative and collateral call risk during the reporting period.

(v) **Currency mismatches**
The Company was not exposed to any major currency risk during the reporting period.

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(XXV) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S.no	Particulars	-	-
A.	**Complaints received by the NBFC from its customers**		
i.	Number of complaints pending at beginning of the year	3	37
ii.	Number of complaints received during the year	7794	9778
iii.	Number of complaints disposed during the year	7724	9812
	Of which, number of complaints rejected by the NBFC	-	-
iv.	Number of complaints pending at the end of the year	73	3
B.	**Maintainable complaints received by the NBFC from Office of Ombudsman**		
i.	Number of maintainable complaints received by the NBFC from Office of Ombudsman	571	582
	Of (i), number of complaints resolved in favour of the NBFC by Office of Ombudsman	571	582
	Of (i), number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
	Of (i), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
ii.	Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

2) Top five grounds of complaints received by the NBFCs from customers

S.no	Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
March 31,2023						
i.	Incorrect CIBIL updated	2	1,630	(53.63%)	4	-
ii.	Charged extra fee	-	2,066	7.66%	40	-
iii.	Payment not updated	1	3,592	3.34%	24	-
iv.	Bounce charges related	-	72	(69.49%)	2	-
v.	Collection related	-	294	20.99%	3	-
vi.	Other complaints	-	140	(64.01%)	-	-
		3	7,794		73	-
March 31,2022						
i.	Incorrect CIBIL updated	6	3515	103.06%	2	-
ii.	Charged extra fee	6	1919	NA	-	-
iii.	Payment not updated	4	3476	NA	1	-
iv.	Bounce charges related	2	236	NA	-	-
v.	Collection related	12	243	305.00%	-	-
vi.	Other complaints	6	389	548.33%	-	-
		36	9778		3	-

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XXIV) Sectoral Exposure

S.No	Sectors	As at March 31,2023			As at March 31,2022		
		Total Exposure (Rs. crore)*	Gross NPAs (Rs. crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (Rs. crore)*	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry						
	(i) Real Estate	1,128.23	254.26	22.54%	1,381.41	112.68	8.16%
	(ii) Manufacturing and Services	391.02	-	-	596.61	-	-
	(iii) Micro small and medium enterprises	58.15	0.17	0.30%	54.27	0.18	0.33%
	(iv) Others	75.03	5.00	6.66%	68.73	-	-
	Total of Industry	1,652.43	259.43	15.70%	2,101.02	112.86	8.49%
3	Services						
	(i) Financial Services	5.04	-	-	-	-	-
	(ii) Others	-	-	-	-	-	-
	Total of Services	5.04	-	-	-	-	0.00%
4	Personal Loans						
	(i) Term Loans	3,071.47	8.51	0.28%	1,570.97	6.09	0.39%
	(ii) Others (Consumer durables and credit lines)	2,781.78	2.69	0.10%	1,759.52	0.67	0.04%
	Total of Personal Loans	5,853.25	11.20	0.19%	3,330.49	6.76	0.43%
5	Others	-	-	-	-	-	-
	Grand Total (1+2+3+4+5)	7,510.72	270.63	15.89%	5,431.51	119.62	8.91%

* Total exposure includes investment in credit substitues.

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XVIII) Disclosure relating to Securitization

As required in terms of paragraph 116 of Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

(Amount in Rs. crores)

S.No	Particulars	As on March 31, 2023	As on March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	4	-
2	Total amount of securitised assets as per books of the SPEs	374.85	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a Off Balance Sheet Exposure		
	(i) First Loss	-	-
	(ii) Others	-	-
	b On Balance Sheet Exposure		
	(i) First Loss	52.28	-
	(ii) Others	84.55	-
4	Amount of exposures to securitisation transactions other than MRR		
	a Off Balance Sheet Exposure		
	(i) Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-
	b On Balance Sheet Exposure		
	(i) Exposure to own securitisations		
	First Loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets	555.02	-
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10	Investor complaints (a) Directly/indirectly received and; (b) Complaints outstanding	NA	NA

XIX) Loans to Directors, Senior Officers and relatives of Directors

As required in terms of paragraph 7 of Loans and Advances – Regulatory Restrictions - NBFCs

(Amount in Rs. crores)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1	Directors and their relatives	-	-
2	Entities associated with directors and their relatives	-	-
3	Senior Officers (including KMP) and their relatives	-	-

XX) Details of Related party transactions are given in Note 40.

XXI) There is no financing to Parent Company product in current and previous year.

XXII) There is no postponement of revenue recognition in current and previous year.

XXIII) There is no drawdown from reserves in current and previous year.

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	Assets side	Amount Outstanding (March 31,2023)
	Long Term Investments**	
1	Quoted	
(i)	Shares	
	(A) Equity	-
	(B) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others (Please specify)	-
2	Unquoted	
(i)	Shares	
	(A) Equity	68.65
	(B) Preference	2.20
(ii)	Debentures and Bonds	199.83
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others - Units of Alternative Investment Fund and investment in pass through certificate	156.42

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category		Amount net of provision		
		Secured	Unsecured	Total
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	other related parties	-	-	-
Other than related parties		939.38	5,793.76	6,733.13
Total				

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

	Category	Market Value	Book value (net of provisions) #
	Related Party		
a	Subsidiaries	61.25	87.33
b	Companies in the same group	0.77	0.77
c	Other related parties	-	-
Other than related parties		896.21	758.41
Total		958.23	846.51

8 Other information

Particulars		Amount
Gross Non Performing Assets		
a.	Related parties	-
b.	Other than related parties	270.63
Net Non Performing Assets		
a.	Related parties	-
b.	Other than related parties	110.13

* Net of impairment loss allowance
** The Company has not disclosed the breakup of investment into long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.
# Book value is carrying value as per IND AS

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XVII) Schedule to the Balance Sheet

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Amount in Rs. crores)

S.No	Particulars		Amount Outstanding (March 31,2023)	Amount Overdue
		Liabilities side		
1		Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
	a	Debentures : Secured	207.66	-
		Debentures : Unsecured	1,496.98	-
		(other than falling within the meaning of public deposits*)	-	-
	b	Deferred Credits	-	-
	c	Term Loans	2,056.49	-
	d	Inter corporate loans and borrowings	-	-
	e	Commercial Paper	-	-
	f	Public Deposit	-	-
	g	Other loans (lease liability, Cash credit & Securitization)	364.14	-
2		Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
	a	In the form of Unsecured debentures	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c	Other public deposits	-	-

		Assets side	Amount Outstanding (March 31,2023)
3		Break-up of Loans and Advances including bills receivables (net) *	
	a	Secured	939.38
	b	Unsecured	5,793.76
4		Break up of Leased Assets and stock on hire and other assets counting towards asset financing	-
	1	Lease assets including lease rentals under sundry debtors	-
	(a)	Financial lease	-
	(b)	Operating lease	-
	2	Stock on hire including hire charges under sundry debtors	-
	(a)	Assets on hire	-
	(b)	Repossessed Assets	-
	3	Other loans counting towards asset financing activities	-
	(a)	Loans where assets have been repossessed	-
	(b)	Loans other than (a) above	-
5		Break up of investments	
		Current Investments	
	1	Quoted	-
	(i)	Shares	-
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others (Please specify)	-
	2	Unquoted	
	(i)	Shares	
		(A) Equity	114.89
		(B) Preference	38.56
	(ii)	Debentures and Bonds	69.88
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others - investment in pass through certificates	196.08

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		(Amount in Rs. crores)	
IX)	**Concentration of Deposits, Advances, Exposures and NPAs**	March 31, 2023	March 31, 2022
	Concentration of Deposits	-	-
	Concentration of Advances	-	-
	Total Advances to twenty largest borrowers	1,266.15	1,502.33
	Percentage of Advances to twenty largest borrowers to Total Advances	16.86%	27.68%
	Concentration of Exposures		
	Total Exposure to twenty largest borrowers / customers	1,266.15	1,502.33
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	16.86%	27.68%
	Concentration of NPAs**		
	Total Exposure to top four NPA accounts	232.79	106.51
	***Represent Stage III loans including interest*		

			(Amount in Rs. crores)
X)	**Movement of NPAs**		
	Net NPAs to Net Advances (%) *	1.50%	0.31%
	Movement of NPAs (Gross)		
	Opening balance	119.62	142.35
	Additions during the year	167.72	6.94
	Reductions during the year	16.71	29.67
	Closing balance	270.63	119.62
	Movement of Net NPAs		
	Opening balance	16.60	53.59
	Additions during the year	(216.66)	(151.21)
	Reductions during the year	(310.20)	(114.21)
	Closing balance	110.13	16.60
	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	103.02	88.76
	Provisions made during the year	384.38	158.15
	Write-off / write-back of excess provisions	326.91	143.88
	Closing balance	160.50	103.02

* Net Advances are taken net of provisions against Stage 3 assets

XI) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
The Company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported

XII) Off- Balance sheet SPVs sponsored
The Company does not have any Off- Balance sheet SPV, therefore no details to be reported

XIII)	**Disclosure of Gold Loan Portfolio**		
	Total Gold Loan Portfolio	-	-
	Total Assets	-	-
	Gold loan portfolio as % of Total Assets	-	-
XIV)	**Disclosure of Gold Auction**		
	Number of loan accounts	-	-
	Outstanding Amount	-	-
	Value fetched on auctions	-	-

XV) Details of Off balance sheet exposure
Refer note 44 for details of contingent liabilities and commitments

XVI)	**Loan accounts past due 90 days and not treated as impaired**		
	Number of loan accounts	-	-
	Loan outstanding	-	-
	Overdue Amount	-	-

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VI) Exposures

A Exposure to Real Estate Sector

Category	(Amount in Rs. crores) March 31, 2023	March 31, 2022
a) Direct Exposure (Includes loans and credit substitutes)		
i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	54.45	49.74
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	1,128.29	1,389.09
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
Residential	-	-
Commercial Real Estate	-	-
b) Indirect Exposure *This includes corporate guarantee given to DMI Housing Finance Pvt Ltd*	387.90	433.00
Total Exposure to Real Estate Sector * **Includes exposure to sub-standards assets as well*	**1,570.64**	**1,871.83**

B Exposure to Capital Market

Category		
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	441.29	428.72
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	154.31	573.66
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading		
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	0.89	0.89
(ii) Category III	-	-
Total Exposure to Capital Market	**596.49**	**1,003.27**

C Details of financing of parent company products
The Company has not financed any parent company product during the current year and previous year - -

D Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
The Company has not exceeded any single or group borrower limits during the FY 2022-23 and FY 2021-22 as per prescribed RBI guidelines therefore no details are being provided - -

E Unsecured Advances
The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Additional Disclosures

VII) Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement Profit and Loss

Provisions for depreciation on Investment	(39.60)	91.81
Provision towards NPA	54.26	7.31
Provision made towards income tax	152.08	64.51
Provision made towards deferred tax	(32.36)	(65.24)
Other provision and contingencies		
Provision for gratuity	0.78	0.98
Provision for compensated absences	1.35	1.07
Provision for Standard Assets	386.56	261.26

VIII) Draw Down from Reserves
The Company has not draw downed any amount from the Reserves during the current year and previous year

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IV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Maturity Pattern of Assets and Liabilities as on March 31, 2023

(Amount in Rs. crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 days	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments*	3.18	3.18	7.72	15.06	15.28	162.37	142.74	155.45	-	71.82	576.80
Borrowings	27.78	119.99	157.43	50.94	189.78	236.45	1,965.33	1,254.84	70.12	-	4,072.64
Advances*	-	-	569.14	668.68	768.22	1,435.33	1,384.52	1,904.38	530.06	250.39	7,510.72
Corporate	-	-	38.19	9.67	167.71	43.59	72.04	545.53	472.25	250.34	1,599.32
Consumer	-	-	530.95	659.01	600.51	1,391.74	1,312.48	1,358.85	57.81	0.05	5,911.40
Other financial assets	0.71	0.02	33.64	-	31.41	32.27	0.33	8.18	-	2.39	108.95

Maturity Pattern of Assets and Liabilities as on March 31, 2022

(Amount in Rs. crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 days	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments*	-	-	570.99	-	-		-	125.55	18.67	284.50	999.71
Borrowings	-	-	11.67	20.23	52.26	107.20	484.71	1,988.52	108.17	-	2,772.76
Advances*	197.99	98.99	356.25	383.89	550.49	857.74	885.49	1,586.81	412.39	101.47	5,431.51
Corporate	-	-	257.26	11.87	224.11	59.45	175.82	837.76	378.11	101.46	2,045.84
Consumer	197.99	98.99	98.99	372.02	326.38	798.29	709.67	749.05	34.28	0.01	3,385.67
Other financial assets	-	-	118.77	0.04	20.86	11.16	7.42	-	-	2.56	160.81

* Investments do not include Credit Substitutes, same have been considered as Advances

V) Instances of fraud for the Year ended March 31, 2023

(Amount in Rs. crores)

	March 31, 2023				March 31, 2022			
Nature of fraud	No. of cases	Amt. of fraud	Recovery#	Amt. written off	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-	-	-	-	-
Loan given against fictitious documents	116*	2.03	1.95	1.93	112.00	3.12	2.00	3.12
Fraud by external party	-	-	-	-	-	-	-	-
Fraud Committed by Customer	-	-	-	-	1.00	86.38	12.77	-

* All the frauds reported during the financial year ended March 31, 2023 are fraud committed by external party and reported to RBI upto March 31,2023.

Recovered from selling partner under First Loss Default Gaurantee (FLDG) arrangement.

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iv) Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries

The Company has its main operations in India situated in Delhi/NCR and also has offices situated in Mumbai, Bengaluru, Noida, Gurugram and Kolkata. The Company has not entered into any joint ventures and does not have any overseas subsidiaries.

I) Capital to risk assets ratio (CRAR)

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022
i) CRAR (%)	Adjusted Tier I and Tier II	Risk weighted assets	50.87%	61.31%
ii) CRAR- Tier I capital (%)	Adjusted Tier I Capital	Risk weighted assets	49.94%	57.46%
iii) CRAR- Tier II capital (%)	Adjusted Tier II Capital	Risk weighted assets	0.93%	3.85%
iv) Amount of subordinated debt raised as			-	-
v) Amount raised by issue of Perpetual Debt Instruments			-	-

(Amount in Rs. crores)

Basis of Ratios	Year ended 31st March 2023	Year ended 31st March 2022
a. Adjusted Tier I Capital #	3,899.74	3,571.77
b. Adjusted Tier II Capital #	72.29	239.45
Total Capital	3,972.03	3,811.22
# Net of first loss credit enhancement of Rs. 26.14 crores on pass through certificate (Previous Year: Nil)		
c. Risk weighted assets	7,808.70	6,216.50

II) Investments

(Amount in Rs. crores)

Particulars	March 31, 2023	March 31, 2022
1) Value of Investments #		
i) Gross Value of Investments (at cost)*		
a) In India	958.23	1,220.20
b) Outside India	-	-
ii) Provisions for Depreciation**		
a) In India	111.72	151.32
b) Outside India	-	-
ii) Net Value of Investments		
a) In India	846.51	1,068.89
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening Balance	151.32	59.51
ii) Add: Provisions made during the year	-	91.81
iii) Less : Write-off / write-back of excess provisions during the year	(39.60)	-
iv) Closing Balance	111.72	151.32

*The Company has investment in FVOCI, FVTPL and Amortised Cost category, the fair valuation of which is included in the gross value of investment.
**Provision of depreciation comprises of impairment loss allowance on the investments.
Investments include credit substitues and pass through certificate.

III) Derivatives

a. The Company has not dealt in derivatives during the FY 2022-23 and FY 2021-22, therefore no details are to be disclosed
b. The derivatives do not include embedded derviatives as per IND AS 109.

c. **Exchange Traded Interest Rate (IR) Derivatives**
The Company have no dealings in exchange traded interest rate derivatives during the FY 2022-23 and FY 2021-22, therefore no details are to be disclosed.

d. **Disclosures on Risk Exposure in Derivatives**
The Company does not deal in derivatives therefore no details are to be disclosed.

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53 Disclosures in accordance with RBI circular no. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and subsequent circular no. DNBR (PD) CC.No. 029/ 03.10.001/ 2014-15 dated April 10, 2015 and amendments thereof

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;
The Company is a private limited company registered with Reserve Bank of India as a Non- banking finance company vide certificate of registration no. 14.03176 dated January 5, 2009

ii) Ratings assigned by credit rating agencies and migration of ratings during the year;
During the year the following ratings have been assigned to the Company

(Amount in Rs. crores)

Name of the rating agency	Amount	Rating	Type of facility	At the beginning of year	Change during Year	Remarks
Brickwork Ratings	-	Withdrawn	Bank Loan- Fund Based-Term Loan	BWR AA-/Stable	Withdrawn	Withdrawn on July 5, 2022.
Brickwork Ratings	50.00	BWR AA-(Stable)	Non-convertible debentures	BWR AA-(Stable)	No Change	Reaffirmed on July 5, 2022.
CARE Ratings	285.00	CARE AA-; Stable	Long-term bank facilities	CARE AA-; Stable	No Change	Rating Reaffirmed on January 05, 2023 Rating Reaffirmed on March 23,2023
CARE Ratings	50.00	CARE AA-; Stable	Long Term Instruments Non-convertible debentures	NA	Newly Assigned	New Rating [CARE]AA- (Stable); Assigned on January 05, 2023 Rating Reaffirmed on March 23,2023
ICRA Ratings	300.00	[ICRA]A1+	Commercial paper	[ICRA]A1+	No Change	Rating Reaffirmed on April 18, 2022 Rating Reaffirmed on September 02, 2022 Rating Reaffirmed on October 18, 2022 Rating Reaffirmed on February 24,2023
ICRA Ratings	100.00	[ICRA]AA- (Stable)	Non-convertible debentures	[ICRA]AA- (Stable)	No change	Rating Reaffirmed on April 18, 2022 Rating Reaffirmed on September 02, 2022 Rating Reaffirmed on October 18, 2022 Rating Reaffirmed on February 24,2023
ICRA Ratings	3,962.00	[ICRA]AA- (Stable)	Long term Fund based bank facilities	[ICRA]AA- (Stable)	No change	Rated amount enhanced from Rs. 750 Crores to Rs. 1350 Crores on April 18,2022; [ICRA]AA- (Stable); assigned/reaffirmed Rated amount enhanced from Rs. 1350 Crores to Rs. 3850 Crores on September 02 ,2022; [ICRA]AA- (Stable); assigned/reaffirmed Rating Reaffirmed on October 18, 2022 Rated amount enhanced from Rs. 3850 Crores to Rs. 3962 Crores on February 24, 2023; [ICRA]AA- (Stable); assigned/reaffirmed
ICRA Ratings	200.00	PP-MLD [ICRA]AA- (Stable)	Long-term Market Linked Debentures	NA	Newly Assigned	New Rating of PP-MLD[ICRA]AA- (Stable); Assigned on October 18, 2022 Rating Reaffirmed on February 24,2023
ICRA Ratings	97.88	[ICRA]AAA(SO)	PTC Series A (MOST-I)	NA	Newly Assigned	New Rating of Provisional [ICRA]AA+ (SO); Assigned on June 30, 2022 [ICRA]AA+ (SO) Provisional rating confirmed as final on November 11, 2022 Rating upgraded from [ICRA]AA+ (SO) to [ICRA]AAA (SO) on February 16, 2023
ICRA Ratings	90.53	[ICRA]AA(SO)	PTC Series A1 (PLUM-I)	NA	Newly Assigned	New Rating of Provisional [ICRA]AA (SO); Assigned on January 04, 2023 [ICRA]AA (SO) Provisional rating confirmed as final on January 30, 2023
ICRA Ratings	77.27	[ICRA]AA(SO)	PTC Series A1 (PLUM-II)	NA	Newly Assigned	New Rating of Provisional [ICRA]AA (SO); Assigned on January 02, 2023 [ICRA]AA (SO) Provisional rating confirmed as final on January 09, 2023
ICRA Ratings	149.12	[ICRA]AA(SO)	PTC Series A1 (PLUM-III)	NA	Newly Assigned	New Rating of Provisional [ICRA]AA (SO); Assigned on March 16, 2023

iii) Penalties, if any, levied by any regulator;
The following penalties were imposed on the company during financial year 2022-23:

1) The Stock Exchange (BSE Limited) imposed a penality of Rs. 12,980 under Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for
2) A Late Submission Fee (LSF) of Rs. 31,165 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on June 9, 2022
3) A Late Submission Fee (LSF) of Rs. 5,444 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on May 10, 2022
4) A Late Submission Fee (LSF) of Rs. 40,000 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on July 12, 2022
5) The Stock Exchange (BSE Limited) imposed a penality of Rs. 5,64,040 under Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2021.

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These includes Credit substitutes & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and liabilities other than above

The carrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2023		March 31, 2022	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible preference shares in DMI Capital Private Limited	38.56	(38.56)	36.38	(36.38)
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	63.14	(63.14)
Equity shares of Azad Engineering Private Limited	22.70	(22.70)	-	-
Investment in pass through certificate	351.53	(351.53)	-	-
Total (A)	**412.79**	**(412.79)**	**99.52**	**(99.52)**
Instruments measured through FVTOCI				
Equity shares in DMI Consumer Credit Private Limited	0.35	(0.35)	0.34	(0.34)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.58	(21.58)	21.58	(21.58)
Credit Substitutes	53.74	(53.74)	51.42	(51.42)
Non-convertible debentures - unquoted	13.78	(13.78)	36.79	(36.79)
Compulsory convertible debentures of Biorad Medisys Private Limited	60.03	(60.03)	-	-
Equity shares in Flash Electronics Private Limited	81.90	(81.90)	79.40	(79.40)
Compulsory convertible debentures of Flash Electronics Private Limited	156.00	(156.00)	114.81	(114.81)
Equity shares in Radiant Polymers	10.01	(10.01)	-	-
Units of DMI AIF Special Opportunities Scheme	0.97	(0.97)	1.01	(1.01)
Total (B)	**398.36**	**(398.36)**	**305.35**	**(305.35)**
Total (A+B)	**811.16**	**(811.16)**	**404.87**	**(404.87)**

The above analysis has been made without considering the impact of tax.

Fair value of financial instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	March 31, 2023		March 31, 2022	
Financial assets:	Fair value	Carrying value	Fair value	Carrying value
Loans and advances				
Corporate loans	9,322.71	9,322.71	13,120.52	13,120.52
Investments – at amortised cost				
Credit Substitutes	447.94	447.94	758.25	758.25
Financial liabilities:				
Debt securities	16,837.91	16,837.91	18,553.00	18,553.00

The carrying value of the financial instruments is near to the fair value, accordingly, the same has been considered for the disclosure above.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Borrowings - At Amortised cost
These includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Investments - At amortised cost

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions
The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities.

March 31, 2023	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	385.56	Net Worth of Investee Company	Instrument price
Equity shares in DMI Consumer Credit Private Limited	3.48	Net Worth of Investee Company	Instrument price
Compulsory convertible debentures of Biorad Medisys Private Limited	600.27	Discounted Projected Cash Flows	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	537.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	818.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures of Flash Electronics	1,560.00	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	137.80	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Azad Engineering Private Limited	227.04	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Radiant Polymers Private Limited	100.10	Discounted Projected Cash Flows	Discount margin / spread
Units of DMI AIF Special Opportunities Scheme	9.73	Assets under management of units of respective class of Investee Fund	Instrument price
Investment in pass through certificate	3,515.31	Net Asset Value of Investee Company	Instrument price
Total	**8,111.45**		

March 31, 2022	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	363.84	Net Worth of Investee Company	Instrument price
Equity shares in DMI Consumer Credit Private Limited	3.37	Net Worth of Investee Company	Instrument price
Compulsorily convertible debentures of Azad Engineering Private Limited	631.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	514.24	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	793.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	1,148.13	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	367.90	Discounted Projected Cash Flows	Discount margin / spread
Security receipts of Alchemist XV Trust	194.11	Net asset value	Instrument price
Optionally convertible debentures of Azad Engineering Private Limited	434.44	Discounted Projected Cash Flows	Discount margin / spread
Units of DMI AIF Special Opportunities Scheme	10.10	Assets under management of units of respective class of Investee Fund	Instrument price
Total	**4,677.29**		

Quantitative analysis of significant unobservable inputs

Instrument price

Given the nature of this approach, there is no range of prices used as inputs.

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds are valued at NAV of respective investment and are classified as Level 1.

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on net worth of investee company or valuation report issued by independent Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

- Area delivered in past across segments
- Financial strength (of the entity and group)
- Debt track record (debt repaid in past, current & past delinquency)
- Stages of various projects of developer
- Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2023 and March 31, 2022

Movements in Level 3 financial instruments measured at fair value

	Equity Shares	Units of DMI AIF Special Opportunities Scheme	Security receipts of Alchemist XV Trust	Credit Substitutes*	NCD Unquoted*	Compulsorily Convertible Debentures*	Optionally Convertible Debentures*	Compulsorily convertible preference shares - DMI Capital Private Limited	Pass Through Certificate	Total
At April 01, 2021	533.87	11.01	194.11	497.68	142.83	826.47	-	312.78	-	2,518.75
Purchase	-	-	-	100.00	230.60	180.00	420.00	-	-	930.60
Change in classification	-	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	-	-	103.41	48.72	-	-	152.13
Sales / settlements	-	(1.07)	-	(83.44)	(5.52)	(107.65)	(34.28)	-	-	(231.96)
Transfers into Level 3	-	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	0.17	-	-	-	441.32	-	51.06	-	492.55
Gains / loss for the period recognized in the other comprehensive income	479.23	-	-	-	-	336.01	-	-	-	815.24
At March 31, 2022	1,013.10	10.10	194.11	514.24	367.91	1,779.56	434.44	363.84	-	4,677.30
Purchase	1,112.15	-	-	-	-	600.00	-	-	3906.86	5,619.01
Change in classification	-	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	55.87	21.50	99.15	22.5	-	91.97	290.99
Sales / settlements	(376.20)	-	(194.11)	(22.54)	(257.16)	(746.71)	(581.32)	-	(483.52)	(2,661.56)
Transfers into Level 3	-	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	(199.11)	-	-	-	5.55	5.46	124.38	21.72	-	(42.00)
Gains / loss for the period recognized in the other comprehensive income	(184.59)	(0.37)	-	(10.14)	-	422.81		-	-	227.71
At March 31, 2023	1,365.35	9.73	-	537.43	137.80	2,160.27		385.56	3,515.31	8,111.45

*Total Gain/Loss for the period recognized in the Statement of Profit and Loss consists of income other than fair value change

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52 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2023				31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	-	-	-	-	5,709.86	-	-	5,709.86
Security receipts of Alchemist XV Trust	-	-	-	-	-	-	194.11	194.11
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	-	-	-	-	631.43	631.43
Optionally convertible debentures of Azad Engineering Private Limited	-	-	-	-	-	-	434.44	434.44
Compulsorily convertible preference shares in DMI Capital Private Limited	-	-	385.56	385.56	-	-	363.84	363.84
Equity shares in Azad Engineering Private Limited			227.04	227.04	-	-	-	-
Investment in pass through certificate			3,515.31	3,515.31				
Total financial investment measured at FVTPL	-	-	4,127.91	4,127.91	5,709.86	-	1,623.82	7,333.68
Financial investments measured at FVOCI								
Credit Substitutes	-	-	537.43	537.43	-	-	514.24	514.24
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	1,560.00	1,560.00	-	-	1,148.13	1,148.13
Compulsory convertible debentures of Biorad Medisys Private Limited	-	-	600.27	600.27	-	-	-	-
Loans								
Non-convertible debentures - unquoted	-	-	137.80	137.80	-	-	367.90	367.90
Units of DMI AIF Special Opportunities Scheme	-	-	9.73	9.73	-	-	10.10	10.10
Equity Instruments								
DMI Consumer Credit Private Limited	-	-	3.48	3.48	-	-	3.37	3.37
Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	-	215.76	215.76
Flash Electronics Private Limited	-	-	818.97	818.97	-	-	793.97	793.97
Radiant Polymers Private Limited	-	-	100.10	100.10				
Total financial investments measured at FVOCI	-	-	3,983.54	3,983.54	-	-	3,053.47	3,053.47
Total financial assets measured at fair value	-	-	8,111.45	8,111.45	5,709.86	-	4,677.29	10,387.15

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Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Company:

March 31, 2023	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	5,628.39	-	-	-	-	-	-	5,628.39
Bank balance other than cash and cash equivalents	560.10	-	-	-	-	-	-	560.10
Loans - Corporate (contractual amount of loans)	49.85	-	8,303.82	-	459.17	631.29	-	9,444.13
Loans - Consumer loans (contractual amount of loans)	-	-	-	579.75	-	57,307.45	-	57,887.20
Trade receivables	26.98	-	-	-	-	281.07	-	308.05
Investments	1,088.12	-	618.03	-	3,225.26	-	3,533.73	8,465.14
Other financial assets	-	-	-	-	-	1,063.41	26.14	1,089.55
Total	7,353.44	-	8,921.85	579.75	3,684.43	59,283.22	3,559.87	83,382.56

March 31, 2022	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	6,533.27	-	-	-	-	-	-	6,533.27
Bank balance other than Cash and cash equivalents	294.45	-	-	-	-	-	-	294.45
Loans - Corporate (contractual amount of loans)	-	-	11,197.09	-	1,665.93	613.91	-	13,476.94
Loans - Consumer loans (contractual amount of loans)	-	-	-	525.07	-	32,799.14	-	33,324.21
Receivables	-	-	-	-	-	57.07	-	57.07
Investments	6,969.56	-	721.35	-	2,969.06	-	19.55	10,679.52
Other financial assets	-	-	-	-	-	1,582.53	25.55	1,608.08
Total	13,797.28	-	11,918.44	525.07	4,634.99	35,052.65	45.10	65,973.54

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2023	As at March 31, 2022	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	4,412.93	9,997.08	Equity price
Credit substitutes and pass through certificate	5,169.38	2,204.96	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	16,837.91	18,552.27	Interest rate
Borrowings (other than debt securities)	23,888.51	8,965.53	Interest rate

(i) Interest rate risk:-

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Company's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Company's net interest income, while a long term impact is on the Company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Company is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Company. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

Interest rate risk exposure

	As at March 31, 2023	As at March 31, 2022
Variable Rate Borrowings	25,373.57	8,965.53
Fixed Rate Borrowings	15,352.85	18,552.27

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Effect on net profit	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Decrease in 50 basis points	71.54	25.13
Increase in 50 basis points	(71.54)	(25.13)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's FVOCI equities at 31 March 2023 would have increased equity by Rs. 330.83 millions (Previous year: Rs 268.56 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Company's FVTPL equities at 31 March 2023 would have increased profits by Rs. 22.70 millions (Previous year: Rs. 653.54 millions). An equivalent decrease would have resulted in an equivalent but opposite impact

(iii) Foreign Currency risk exposure

The Company is not exposed to foreign currency risk exposure.

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DMI Finance Private Limited
Notes to the standalone financial statements
(All Amount in Rs. in millions, unless otherwise stated)

50 Segment information

The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Company level. The operations of the Company fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Company operates in a single geographical segment, i.e., domestic.

51 Risk management

Introduction and risk profile

The Company is a private finance company in India and is regulated by the Reserve Bank Of India (RBI). In view of the intrinsic nature of operations, the Company is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management structure and policies

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Company manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Company's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Company liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities

March 31, 2023	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,628.39	-	-	-	-	-	-	-	5,628.39
Bank balance other than Cash and cash equivalents	219.10	-	24.03	0.20	178.45	138.32	-	-	560.10
Trade receivables	266.76	41.29	-	-	-	-	-	-	308.05
Loans	5,903.44	7,440.46	7,554.25	16,298.35	16,681.26	22,812.66	4,959.68	2,170.97	83,821.08
Investments	156.66	206.20	1,106.57	1,774.12	1,691.09	3,139.62	1,063.70	1,697.22	10,835.18
Other financial assets	343.73	-	314.06	322.74	3.32	81.81	-	23.89	1,089.55
Financial liabilities									
Payables	336.22	663.34	337.03	39.55	291.09	-	-	-	1,667.23
Debt securities	-	298.41	566.45	329.90	15,450.30	1,762.90	-	-	18,407.96
Borrowings (other than debt securities)	3,238.70	669.00	1,553.20	2,790.70	5,483.90	12,071.40	826.40	-	26,633.30
Lease liabilities	6.29	6.29	6.31	19.10	38.58	102.01	95.52	41.65	315.75
Other financial liabilities	75.49	112.26	38.35	-	-	57.89	-	-	283.98

March 31, 2022	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,533.27	1,000.00	-	-	-	-	-	-	6,533.27
Bank balance other than Cash and cash equivalents	-	-	23.00	266.20	5.25	-	-	-	294.45
Trade receivables	57.07	-	-	-	-	-	-	-	57.07
Loans	6,740.85	4,372.93	4,640.01	9,885.18	10,992.12	19,405.33	3,795.16	1,119.45	60,951.03
Investments	6,054.84	21.77	1,498.67	141.89	235.50	1,769.29	1,255.73	4,122.44	15,100.14
Other financial assets	1,187.67	0.45	208.59	111.62	74.20	-	-	25.55	1,608.08
Financial liabilities									-
Payables	474.14	229.76	20.45	33.06	306.55	70.37	-	-	1,134.33
Debt securities	-	282.12	143.34	390.82	3,832.44	16,445.46	-	-	21,094.18
Borrowings (other than debt securities)	188.82	138.73	489.51	972.76	1,897.40	4,958.11	1,194.70	-	9,840.03
Lease liabilities	4.96	5.11	6.08	18.24	36.29	117.96	95.76	90.34	374.74
Other financial liabilities	6.44	117.82	38.61	-	-	-	-	-	162.87

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the Company's senior management to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Company's overall business strategy and the same is reviewed every quarter by the senior management.
To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of
DMI FINANCE PRIVATE LIMITED

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March, 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate referred to in the Other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at 31 March 2023, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in sub-para (a) and (b) of the Other matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.:

Key audit matters	How our audit addressed the key audit matters
(a) Impairment of financial assets as at balance sheet date (expected credit losses)	
Ind AS 109 requires the Group to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: - Staging of loans i.e., classification in 'significant increase in credit risk' ('SICR') and 'default' categories; - Estimation of behavioural life; - Determining macro-economic factors impacting credit quality of receivables; - Estimation of losses for loan products with no/ minimal historical defaults	Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Group's policy on one-time restructuring. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Group for loan products with inadequate historical defaults. Tested assumptions used by the Management in determining the overlay. Assessed disclosures included in the consolidated financial statements in respect of expected credit losses.

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(b) IT and system controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Group. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting	We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. We tested the Group's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information other than the consolidated financial statements and auditor's report thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read information included in annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors responsibilities relating to other information'.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting

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principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 686.71 millions as at March, 2023, total revenues (after eliminating intra-group transactions) of Rs. 87.43

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millions, net loss after tax of Rs. 24.10 millions, total comprehensive loss of Rs. 24.55 millions, and net cash outflow of Rs. 225.02 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) The consolidated financial statements also include the Group's share of net loss after tax of Rs. 54.67 millions for the year ended 31 March 2023 and total comprehensive loss of Rs. 54.67 millions for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above, and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on other legal and regulatory requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the audit report issued by us for the Holding Company and based on our consideration of the audit reports issued by respective auditors of the three subsidiaries included in consolidated financial statements, we report that there are no qualifications or adverse remarks in these reports.

   The share of net loss of following associate company has been consolidated on the basis of unaudited financial statements, accordingly no audit report is available:

S. No.	Name	CIN	Holding Company / Subsidiary / Associate
1	DMI Alternatives Private Limited	U74999DL2016PTC305804	Associate

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), and the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(h) With respect to the adequacy of internal financial controls with reference to financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**'.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of statutory auditors of its subsidiary companies incorporated in India which were not audited by us, the Holding Company and its subsidiary companies being private companies, Section 197 of the Act related to the managerial remuneration is not applicable.

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 46 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year and have not proposed final dividend for the year.

S. N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiaries, which are companies incorporated in India, only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 23087701BGWNIL8494

S. N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 22 May 2023

Annexure A

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to financial statements of **DMI FINANCE PRIVATE LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries and its associate, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiaries and its associate which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and its associate as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company, its subsidiaries and its associate as aforesaid.

Meaning of internal financial controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

S.N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

Other Matters

Audit Report of three subsidiaries does not include report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Act ('the Report on internal financial controls'), since in their opinion, the said report on interna financial controls is not applicable to these companies under MCA notification no. G.S.R. 583(E) dates 13 June 2017, read with corrigendum dated 13 July 2017 on reporting on internal financial controls over financial reporting. Our report on internal financial controls with reference to financial statements in respect of these subsidiaries and associate are based on management assessment of the internal control over financial reporting as furnished by the management.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Membership No.: 087701
UDIN: 23087701BGWNIL8494

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 22 May 2023

DMI Finance Private Limited
Consolidated Balance Sheet as at March 31, 2023
(All Amount in Rs. In millions, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	5,699.76	6,829.64
Bank balance other than cash and cash equivalents	5	570.25	294.66
Trade receivables	6	312.09	61.03
Loans	7	67,344.47	46,801.15
Investments	8	8,136.80	10,289.57
Other financial assets	9	1,090.00	1,610.08
Total financial assets		83,153.37	65,886.13
Non-financial assets			
Current tax assets	10	198.76	296.13
Deferred tax assets (net)	11	1,219.49	880.14
Property, plant and equipment	12	143.00	104.64
Capital work in progress	13 (a)	-	23.27
Goodwill	14	253.53	253.53
Intangible assets under development	13 (b)	8.78	-
Right of use assets	15	196.35	234.95
Other intangible assets	16	21.66	31.41
Other non- financial assets	17	249.76	204.91
Total non-financial assets		2,291.33	2,028.98
Assets held for sale	18	75.00	143.88
TOTAL ASSETS		85,519.70	68,058.99
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
A) Trade payables	19		
(i) total outstanding dues of micro and small enterprises		8.97	94.79
(ii) total outstanding dues of creditors other than micro and small enterprises		1,165.75	697.23
B) Other payables			
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		525.06	379.87
Debt securities	20	16,837.91	18,552.27
Borrowings (other than debt securities)	21	23,889.34	8,988.07
Lease liabilities	22	242.29	276.36
Other financial liabilities	23	283.98	162.87
Total financial liabilities		42,953.30	29,151.46
Non financial liabilities			
Provisions	24	102.31	86.60
Other non-financial liabilities	25	261.79	103.51
Total non-financial liabilities		364.10	190.11
EQUITY			
Equity share capital	26	6,567.75	6,567.00
Other equity	27	35,607.90	32,121.29
Equity attributable to equity shareholders of the company		42,175.65	38,688.29
Non Controlling Interest	28	26.65	29.13
TOTAL LIABILITIES AND EQUITY		85,519.70	68,058.99

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087709

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: GURUGRAM
Date: 22 MAY 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22 MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: NEW DELHI
Date: 22 MAY, 2023

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Consolidated Statement of profit and loss for the year ended March 31, 2023
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	29	15,970.05	7,837.41
Fees and commission income	30	265.41	235.25
Net gain on fair value changes	31	199.06	963.40
Total revenue from operations		16,434.52	9,036.06
Other income	32	185.90	163.05
Total income		16,620.42	9,199.11
Expenses			
Finance costs	33	3,018.66	1,916.53
Fees and commission expense	34	1,357.13	677.01
Impairment on financial instruments	35	4,012.20	3,411.93
Employee benefits expense	36	1,281.61	860.77
Depreciation, amortization and impairment	37	108.91	99.43
Other expenses	38	2,516.95	1,428.24
Total expenses		12,295.46	8,393.90
Profit before share of profit of associate and tax		4,324.96	805.21
Tax expense/ (credit):			
(1) Current tax	49	1,523.02	676.15
(2) Deferred tax	49	(397.92)	(457.54)
Income tax expense		1,125.10	218.61
Net profit for the year		3,199.86	586.60
Transfer to Non Controlling Interest		-	-
Add: Share of (Loss) of associate		(54.67)	(3.57)
Net Profit after Taxes and share of (Loss) of associate		3,145.19	583.03
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		4.93	1.30
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		227.72	837.53
Income tax relating to above		(58.56)	(211.13)
Subtotal (a)		174.09	627.70
b) Items that will be reclassified to profit or loss			
(i) Gain on Fair Value changes		-	0.57
Income tax relating to above item		-	(0.14)
Subtotal (b)		-	0.43
Other comprehensive income		174.09	628.12
Total comprehensive income for the year		3,319.28	1,211.15
Profit for the year attributable to			
- Owners of the Company		3,147.67	583.03
- Non Controlling Interest		(2.48)	-
Other comprehensive income for the year attributable to			
- Owners of the Company		174.09	628.12
- Non Controlling Interest		-	-
Total comprehensive income for the year attributable to			
- Owners of the Company		3,321.76	1,211.15
- Non Controlling Interest		(2.48)	-
Earnings per equity share (face value of Rs. 10 per share)	39		
Basic (Rs.)		4.87	0.83
Diluted (Rs.)		4.80	0.81

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: GURUGRAM
Date: 22 MAY 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22 MAY, 2023

Yuvraj Chanakya Singh
(Jt. Managing Director)
DIN: 02801179

Place: NEW DELHI
Date: 22 MAY, 2023

Kishan Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahil Pahwa
(Company Secretary)
M. No. A24789

Place: NEW DELHI
Date: 22 MAY, 2023

NEW DELHI

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U65929DL2008PTC182749
Statement of Consolidated Cash Flows for the year ended March 31, 2023
(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
A Cash flow from operating activities:		
Profit before tax	4,324.95	805.21
Adjustments for		
Depreciation and amortisation	108.91	99.43
Net gain on fair value changes	(199.06)	(963.40)
Impairment on financial instruments	4,012.20	3,411.93
Interest expense for leasing arrangements	26.33	16.09
Effective interest rate adjustment for financial instruments	75.08	12.76
Asset held for sale written off	69.17	45.97
Dividend income	(3.34)	-
Share of profits of associates	(54.67)	-
Employee stock option/share warrant expense	160.41	79.02
Operating profit before working capital changes	8,519.99	3,507.01
Changes in working capital		
(Increase) in financial and other assets	(24,682.52)	(18,445.42)
Increase in financial and other liabilities	649.00	420.09
Decrease in non financial assets	(45.14)	(87.21)
Increase in non financial liabilities	178.92	85.84
Total of changes in working capital	(23,899.74)	(18,026.70)
Direct taxes paid (net of refunds)	(1,425.64)	(739.81)
Net cash flow generated from / (used in) operating activities (A)	(16,805.39)	(15,259.50)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	(74.14)	(68.88)
Purchase of investment	(76,951.65)	9,565.71
Sale of investment	79,927.20	-
Dividend income	3.34	-
Movement of fixed deposits (net)	(275.59)	(27.45)
Net cash flow from / (used in) investing activities (B)	2,629.16	9,469.38
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	4.97	2,342.62
Receipt of upfront money on share warrant	0.22	-
Proceeds from borrowings (other than debt securities)	31,517.19	8,672.74
Repayment of borrowings (other than debt securities)	(16,686.20)	(1,078.04)
Proceeds from debt securities	1,500.00	-
Repayment of debt securities	(3,219.16)	-
Lease payments	(70.67)	(57.10)
Net cash flow generated from financing activities (C)	13,046.35	10,080.22
Net increase in cash and cash equivalents (A+B+C)	(1,129.88)	4,290.10
Cash and cash equivalents as at the beginning of the year	6,829.64	2,533.91
Cash and cash equivalents on the date of acquisition in the subsidiary	-	5.63
Cash and cash equivalents at the end of the year	5,699.76	6,829.64

Notes:

1) Components of cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.10	0.10
Balance with banks		
- balance in current accounts and overdraft accounts	5,699.66	5,829.54
deposits with original maturity of less than 3 months	-	1,000.00
Total cash and cash equivalents	5,699.76	6,829.64

2) Statement of Cash flows has been prepared under indirect method as set out in the IND AS 7 "Statement of Cash flows".

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 47

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 097201

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: GURUGRAM
Date: 22 MAY 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivanush Chatterjee
(Jt. Managing Director)
DIN: 02623400

Yuvraj Chanakya Singh
(Jt. Managing Director)
DIN: 01601179

Place: NEW YORK
Date: 22 MAY, 2023

Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)

Sahil Rahman
(Company Secretary)
M. No. A24789

Place: NEW DELHI
Date: 22 MAY, 2023

Place: NEW DELHI
Date: 22 MAY, 2023

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(All Amount in Rs. In millions, unless otherwise stated)

A. Equity share capital (refer note 25)

For the year ended 31 March 2023

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
At 1 April 2022	71,23,93,401	6,567.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2022	71,23,93,401	6,567.00
Issue of share capital (Note 26)	74,741	0.75
At 31 March 2023	71,24,68,142	6,567.75

For the year ended 31 March 2021

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
At 1 April 2021	69,93,50,933	6,436.58
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2021	69,93,50,933	6,436.58
Issue of share capital	1,30,42,468	130.42
At 31 March 2022	71,23,93,401	6,567.00

	Reserves and Surplus							Other Comprehensive Income					
Particulars	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital redemption reserve	Upfront monies received on Share warrants	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Gain/(loss) on Fair Value changes (Debt and Equity)	Total other comprehensive income	Attributable to owners of the company	Non-controlling interests	Total equity
Balance as on April 1, 2021	977.46	23,495.35	140.95	-	81.21	-	3,873.76	1.12	56.72	57.84	28,626.57	-	28,626.57
Profit for the year	-	-	-	-	-	-	583.03	-	-	-	583.03	-	583.03
Other Comprehensive Income for the year	-	-	-	-	-	-	-	0.97	627.15	628.12	628.12	-	628.12
Transfer to special reserve	115.56	-	-	-	-	-	(115.56)				-	-	-
Share options exercised during the year	-	-	46.07	-	-	-	-	-	-	-	46.07	-	46.07
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	0.50	-	-	-	-	0.50	-	0.50
Transfer to Share Warrant reserve	-	-	-	32.44	-	-	-	-	-	-	32.44	-	32.44
Premium on issue of equity shares	-	2,212.20	-	-	-	-	-	-	-	-	2,212.20	-	2,212.20
Non-controlling interests on acquisition in/of Appnit Technologies Private Limited	-	-	-	-	-	-	-	-	-		-	29.13	29.13
Loss on subsequent acquisition in Subsidiary	-	-	-	-	-	-	(7.64)	-	-		(7.64)	-	(7.64)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2022	1,093.02	25,707.55	187.02	32.44	81.21	0.50	4,333.59	2.09	683.87	685.96	32,121.29	29.13	32,150.42
Profit for the year	-	-	-	-	-	-	3,147.67	-	-	-	3,147.67	-	3,147.67
Other Comprehensive Income for the year	-	-	-	-	-	-	-	3.69	170.40	174.09	174.09	-	174.09
Transfer to special reserve	648.03	-	-	-	-	-	(648.03)	-	-	-	-	-	-
Share options granted during the year	-	-	121.83	-	-	-	-	-	-	-	121.83	-	121.83
Share options exercised during the year	-	-	(3.78)	-	-	-	-	-	-	-	(3.78)	-	(3.78)
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	0.22	-	-	-	-	0.22	-	0.22
Transfer to Share Warrant reserve	-	-	-	42.36	-	-	-	-	-	-	42.36	-	42.36
Premium on issue of equity shares	-	4.22	-	-	-	-	-	-	-	-	4.22	-	4.22
Loss on subsequent acquisition in Subsidiary	-	-	-	-	-	-	-	-	-	-	-	(2.48)	(2.48)
Balance as on March 31, 2023	1,741.05	25,711.77	305.07	74.80	81.21	0.72	6,833.23	5.78	854.27	860.05	35,607.90	26.65	35,634.55

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: GURUGRAM
Date: 22 MAY 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22 MAY, 2023

Gaurav Goyal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: 22 MAY, 2023

Sama Pahwa
(Company Secretary)
M. No. 34789

Place: NEW DELHI
Date: 22 MAY, 2023

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the Consolidated Financial Statements

1 **Corporate Information**

DMI Finance Private Limited is a Private Limited Company ("The Company" or "The Holding Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification Number is (CIN) U65929DL2008PTC182749 on September 02, 2008.

The Company is engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on January 05, 2009 vide registration No. RBI N-14.03176. The Holding company together with it' subsidiaries listed in Note 2(e)(ii) are hereinafter collectively referred to as 'the Group'. Information on subsidiaries included in consolidated financial statements is given in Note 2(e)(ii)

The registered office of the Company is located at Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg New Delhi.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 May, 2023.

2 **Basis of preparation of Financial Statements**

a) **Statement of compliance**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS' or 'the Accounting Standards') notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All amount disclosed in the consolidated financial statements and notes have been rounded off to the nearest Rupees millions as per the requirements of Schedule III, unless otherwise stated.

b) **Basis of preparation and presentation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules , 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company and deposit taking company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') as amended issued by RBI. The financial statements have been prepared on a going concern basis.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the millions, except when otherwise indicated.

c) **Basis of measurement**

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

d) **Presentation of financial statements**

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

e) **Principles of Consolidation**

(i) Subsidiaries

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and ceases to be consolidated when the Company loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Company' share and share of non-controlling stakeholders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(ii) Investment in Associates

Associates include all entities where the Company has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Company' investment in associates are accounted using the equity method. Goodwill relating to associate is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost
and adjusted thereafter to recognise the Company' share of post-acquisition profit and loss, and the Company' share of other comprehensive income. Dividend received from associates are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company' interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying
amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates' in the consolidated statement of profit and loss.

iii) The consolidated financial statements include results of the following subsidiaries and associate of the Holding Company, consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of Incoporation	Proportion of ownership as at reporting date	Consolidated as
DMI Capital Private Limited	India	100%	Subsidiary
DMI Management Private Limited	India	100%	Subsidiary
DMI Alternatives Private Limited	India	49%	Associate
Appnit Technologies Private Limited	India	94.04%	Subsidiary

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3.1 Summary of significant accounting policies

a) Use of estimates,judgements and assumptions

The preparation of consolidated financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of Current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

i. Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how Group's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are evaluated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Impairment of financial assets

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Group makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

iii. Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

iv. Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Effective Interest Rate ('EIR') method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

vi. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the consolidated balance sheet, any bank overdrafts, if applicable are included as a component of borrowings.

c) Revenue recognition

i. Interest income

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

The EIR (and therefore, the amortised cost of the assets) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Group calculates Interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extant recoverable. If the financial assets cures and is no longer credit-impaired, the

ii. Income other than interest

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

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iii **Fee and commission income**

All other financial charges such as cheque return charges, legal charges, collection charges etc are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

iv **Net gain/loss on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate,the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

v **Other Income**

Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date. The Group also recognises gain on fair value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

vi **Dividend Income**

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) **Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) **Intangible Assets**

(i)Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(ii) Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable
assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as "Asset held for sale" and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

f) **Depreciation and amortization**

Depreciation

Depreciation on property, plant and equipment's is calculated on written down value (WDV) basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particulars	Useful Life (years)
Furniture and Fixtures	10
Vehicle	8
Computer, printers	3-6
Office Equipment	5

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.
Salvage Value of the assets has been taken five percent of Original Cost (except intangible assets) as prescribed in Schedule II.
Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

Amortization

The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group estimates that useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds five years, the Group amortizes the intangible asset over the best estimate of its useful life.

g) **Impairment of non-financial assets**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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h) Leases

i. Company as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset
- The Group has substantially all the economic benefits from use of the asset through the period of the lease and
- The Group has the right to direct the use of the asset

ii. Measurement and recognition:

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).
The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term Lease:
The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months. The Group recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

iii. Group as a lessor:
As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

i) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Contingent liabilities and assets

i. Contingent liabilities
The Group does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

ii. Contingent assets
Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

k) Employee benefits

i. Defined contribution plan
The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined benefit plan
The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

iii. Compensated absences
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

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l) **Foreign currencies**

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

m) **Taxes**

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n) **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.
The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial Assets**

A. **Initial recognition and measurement**

The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Group measures bank balances, loans and advances, trade receivables and other financial instruments at amortised cost.

B. **Classification and subsequent measurement**

The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement , financial assets are classified in three categories:
- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)

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C. **Debt instruments at amortised costs**

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

D. **Debt instruments at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

E. **Debt instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categoritation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, where the Group's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Group's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

The losses arising from impairment are recognised in the statement of profit and loss.

F. **Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

II. **Equity Investments and Mutual funds**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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iii. **Financial Liabilities**

A. **Initial recognition and measurement**

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Group's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

B. **Loans, Debenture and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

C. **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

D. **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

E. **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

G. **Reclassification of financial assets and liabilities**

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

H. **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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i. Impairment of financial assets

I. Overview of the impairment principles ('ECL')

In accordance with Ind AS 109, the Group is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Group is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Group is required to recognize credit losses over next 12 month period. The Group has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Group has a process to assess credit risk of all exposures at each year end as follows:

Stage I

These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Group has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Group measures ECL on such assets over next 12 months.

Stage II

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Group classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Group measures lifetime ECL on stage II loans.

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Group measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

ii. The calculation of ECLs

The mechanics of the ECL calculation involve the use of following key elements:

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Group.

Exposure at default (EAD) – It represents an estimate of the exposure of the Group at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAD by the Group. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Group uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

iii. Definition of Default and cure

The Group considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Group may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Group also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Group carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

iv. Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

v. Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

vi. Collateral repossessed

The Group's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is less at repossession date.

p) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The copmany's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

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r) **Interest in Subsidiaries and associate entities**

Investment in subsidiaries and associate entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down value immediately to its recoverable amount. On disposal of investment in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

s) **Borrowing Cost**

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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Notes to Consolidated Financial Statements
(All Amount in Rs. In millions, unless otherwise stated)

4 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.10	0.10
Balance with banks		
- balance in current accounts and overdraft accounts*	5,699.66	5,829.54
Deposits with original maturity of less than 3 months	-	1,000.00
	5,699.76	6,829.64

* Includes Escrow account balance of Rs. 15.82 millions (previous year: Rs. 8.88 millions) which is maintained as per guidelines of Reserve Bank of India for operating Semi closed Prepaid Payment Instrument and can be used only for the specified purposes.

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months*	570.25	294.66
	570.25	294.66

* Deposits being lien marked against corporate credit cards and overdraft accounts or pledged as margin for credit enhancement

6 Trade receivables

Considered good - Unsecured	312.09	61.03
Considered good - Secured	-	-
Receivables which have significant increase in credit risk	-	-
Receivables – credit impaired	-	-
	312.09	61.03
Less: Impairment loss allowance	-	-
	312.09	61.03

Trade receivables from related parties (see note 42)

Trade receivables aging schedule

As at 31 March 2023

Particulars	less than 6 months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	308.23	-	-	-	3.86	312.09
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	308.23	-	-	-	3.86	312.09

As at 31 March 2022

Particulars	less than 6 months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	57.17	-	-	-	3.86	61.03
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	57.17	-	-	-	3.86	61.03

Note: The ageing of trade receivables has been determined from the transaction date

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DMI Finance Private Limited
Notes to Consolidated Financial Statements
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7 Loans

	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans*	12,054.20	137.80	12,192.00	15,680.69	367.90	16,048.60
Consumer loans	59,114.03	-	59,114.03	33,856.86	-	33,856.86
Total (A) Gross	71,168.23	137.80	71,306.03	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (A) Net	67,223.05	121.42	67,344.47	46,444.73	356.42	46,801.15
(B)						
Secured by tangible assets and intangible assets	11,990.70	137.80	12,128.50	15,680.69	367.90	16,048.60
Unsecured	59,177.53	-	59,177.53	33,856.86	-	33,856.86
Total (B) Gross	71,168.23	137.80	71,306.03	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (B) Net	67,223.05	121.42	67,344.47	46,444.73	356.42	46,801.15
(C) Sector						
Public sector	-	-	-	-	-	-
Others	71,168.23	137.80	71,306.03	49,537.55	367.90	49,905.46
Total (C) Gross	71,168.23	137.80	71,306.03	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (C) Net	67,223.05	121.42	67,344.47	46,444.73	356.42	46,801.15
(D)						
In India	71,168.23	137.80	71,306.03	49,537.55	367.90	49,905.46
Outside India	-	-	-	-	-	-
Total (D) Gross	71,168.23	137.80	71,306.03	49,537.55	367.90	49,905.46
Less: Impairment loss allowance	3,945.18	16.38	3,961.56	3,092.83	11.48	3,104.31
Total (D) Net	67,223.05	121.42	67,344.47	46,444.73	356.42	46,801.15

* Corporate loan portfolio includes loan outstanding from employees of Rs. 0.32 millions (previous year: Rs. 1.72 millions)

Notes:

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Holding Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) Corporate loan portfolio includes non-convertible debentures of Rs. 2,338.58 millions (previous year: Rs. 3,774.76 millions)

iv) Disclosure in respect to loan given to Key management personnel (KMP) of Holding Company

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Key management personnel (KMP)	-	-	-	-

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7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	57,309.78	1,690.44	113.81	59,114.03	32,855.94	931.47	69.45	33,856.86
Less: Impairment loss allowance	619.78	493.24	113.81	1,226.83	284.20	228.76	69.45	582.41
Net carrying amount	**56,690.00**	**1,197.20**	**-**	**57,887.20**	**32,571.74**	**702.71**	**-**	**33,274.45**

Corporate loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	8,167.13	1,784.28	2,240.59	12,192.00	15,080.82	192.95	774.83	16,048.60
Less: Impairment loss allowance	256.96	1,338.45	1,139.32	2,734.73	1,855.56	25.29	641.05	2,521.90
Net carrying amount	**7,910.17**	**445.83**	**1,101.27**	**9,457.27**	**13,225.26**	**167.67**	**133.78**	**13,526.70**

Summary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	3,462.35	-	351.99	3,814.34	4,066.97	-	351.99	4,418.96
Less: Impairment loss allowance	765.18	-	351.99	1,117.17	1,193.33	-	319.85	1,513.18
Net carrying amount	**2,697.17**	**-**	**-**	**2,697.17**	**2,873.64**	**-**	**32.13**	**2,905.78**

An analysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	32,855.94	931.47	69.45	33,856.86	17,909.93	1,343.73	-	19,253.66
New Assets originated, Netted off for repayments and loans derecognised during the year	24,405.79	882.64	(31.26)	25,257.17	15,164.63	(574.39)	12.96	14,603.20
Transfers from Stage 1	(564.23)	491.51	72.72	-	(235.19)	193.76	41.43	-
Transfers from Stage 2	603.43	(617.45)	14.02	-	16.56	(31.62)	15.06	-
Transfers from Stage 3	8.85	2.27	(11.12)	-	-	-	-	-
Gross carrying amount closing balance	**57,309.78**	**1,690.44**	**113.81**	**59,114.03**	**32,855.94**	**931.47**	**69.45**	**33,856.86**

Corporate loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**15,080.82**	**192.95**	**774.83**	**16,048.60**	**12,794.98**	**-**	**1,071.56**	**13,866.54**
New Assets originated, Netted off for repayments and loans derecognised during the year	(3,714.63)	(17.25)	(124.72)	(3,856.60)	2,478.79	-	(296.73)	2,182.06
Transfers from Stage 1	(3,199.06)	1,608.58	1,590.48	-	(192.95)	192.95	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**8,167.13**	**1,784.28**	**2,240.59**	**12,192.00**	**15,080.82**	**192.95**	**774.83**	**16,048.60**

An analysis of changes in the gross carrying amount of investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,066.97**	**-**	**351.99**	**4,418.96**	**2,265.67**	**280.64**	**351.99**	**2,898.30**
New Assets originated, Netted off for repayments and loans derecognised during the year	(604.62)	-	-	(604.62)	1,520.66	-	-	1,520.66
Transfers from Stage 1	-	-	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	280.64	(280.64)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**3,462.35**	**-**	**351.99**	**3,814.34**	**4,066.97**	**-**	**351.99**	**4,418.96**

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.01
Change in ECL due to change in ECL model rate	124.06	78.09	-	202.15	10.86	47.00	52.69	110.55
New Assets originated, Netted off for repayments and loans derecognised during the year	421.02	62.86	3,184.52	3,668.40	279.75	(172.17)	1,372.30	1,479.88
Transfers from Stage 1	(216.13)	143.42	72.71	-	(89.01)	47.59	41.43	0.00
Transfers from Stage 2	6.53	(20.55)	14.02	-	0.14	(15.20)	15.06	-
Transfers from Stage 3	0.10	0.66	(0.76)	-	-	-	-	-
Write Offs	-	-	(3,226.13)	(3,226.13)	-	-	(1,412.03)	(1,412.03)
ECL allowance closing balance	619.78	493.24	113.81	1,226.83	284.20	228.76	69.45	582.41

Corporate loans	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.47
Change in ECL due to change in ECL model rate	93.21	-	14.26	107.47	543.93	-	30.44	574.37
New Assets originated, Netted off for repayments and loans derecognised during the year	160.89	(13.35)	(42.17)	105.37	355.88	-	(26.81)	329.07
Transfers from Stage 1	(1,852.69)	1,326.51	526.18	-	(25.29)	25.29	-	-
Transfers from Stage 2		-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	256.96	1,338.45	1,139.32	2,734.73	1,855.56	25.29	641.05	2,521.90

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes and Compulsory Convertible Debentures (refer note 8) is, as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12
Change in ECL due to change in ECL model rate	273.38	-	32.13	305.51	531.15	-	69.56	600.71
ECL on new assets originated, netted off for repayments and loans derecognised during the year	(701.53)	-	-	(701.53)	317.35	-	-	317.35
Transfers from Stage 1		-	-	-	-	-	-	-
Transfers from Stage 2		-	-	-	2.57	(2.57)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	765.18	-	351.99	1,117.17	1,193.33	-	319.85	1,513.18

7.2 Collateral

In case of corporate term loans the Holding Company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Holding Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others

In its normal course of business, the Holding Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments.

Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2023	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Equity method	Total
(A) Equity instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	71.63	71.63
Subtotal	-	-	-	-	71.63	71.63
Mutual funds						
100,175.67 units in HDFC liquid fund-direct plan-growth	-	443.10	-	443.10	-	443.10
Subtotal	-	443.10	-	443.10	-	443.10
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.48	3.48	-	3.48
Equity shares in Flash Electronics Private Limited	-	-	818.97	818.97	-	818.97
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Equity shares in Azad Engineering Private Limited	-	227.04	-	227.04	-	227.04
Equity shares in Radiant Polymers Private Limited	-	-	100.10	100.10		100.10
Subtotal	-	227.04	1,172.81	1,399.85	-	1,399.85
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,560.00	1,560.00	-	1,560.00
600 Complusory convertible debentures in Biorad Medisys Private Limited of face value of Rs. 10,00,000 each	-	-	600.27	600.27	-	600.27
Subtotal	-	-	2,160.27	2,160.27	-	2,160.27
Credit Substitutes						
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	943.72	-	358.36	1,302.08	-	1,302.08
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
Subtotal	1,116.64	-	537.43	1,654.07	-	1,654.07
Investment in Pass through certificates(unquoted)	-	3,515.31	-	3,515.31	-	3515.31
Other instruments						
Units of DMI AIF Special Opportunities Scheme	-	-	9.73	9.73	-	9.73
Subtotal	-	-	9.73	9.73	-	9.73
Total (A) Gross	1,116.64	4,185.45	3,880.24	9,182.33	71.63	9,253.97
Less: Impairment loss allowance	668.70	-	448.47	1,117.17	-	1,117.17
Total (A) Net	447.94	4,185.45	3,431.77	8,065.16	71.63	8,136.80
(B) Investments outside India	-	-	-	-	-	-
Investments in India	1,116.64	4,185.45	3,880.24	9,182.33	71.63	9,253.97
Total (B) Gross	1,116.64	4,185.45	3,880.24	9,182.33	71.63	9,253.97
Less: Impairment loss allowance	668.70	-	448.47	1,117.17	-	1,117.17
Total (B) Net	447.94	4,185.45	3,431.77	8,065.16	71.63	8,136.80

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As at March 31, 2022	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Equity method	Total
(A) Equity Instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	126.30	126.30
Subtotal	-	-	-	-	126.30	126.30
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	3.37
Equity shares in Flash Electronics Private Limited	-	-	793.97	793.97	-	793.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Subtotal	-	-	1,047.60	1,047.60	-	1,047.60
Mutual funds						
234,062.94 Baroda BNP Paribas Liquid Fund - Direct Growth	-	574.14	-	574.14	-	574.14
418,933.27 HDFC Liquid Fund - Direct Plan - Growth Option	-	1,753.13	-	1,753.13	-	1,753.13
70,689.49 HDFC Money Market Fund - Regular Plan Growth		295.82		295.82	-	295.82
468,743.91 SBI Liquid Fund Direct Growth	-	1,562.37	-	1,562.37	-	1,562.37
208,156.56 UTI Liquid Cash Plan - Direct Plan - Growth	-	726.06		726.06	-	726.06
1,879,040.68 ICICI Liquid Fund - DP Growth	-	592.38		592.38	-	592.38
212,254.65 Axis Liquid Fund - Direct Growth	-	501.79		501.79	-	501.79
Subtotal	-	6,005.68	-	6,005.68	-	6,005.68
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,148.13	1,148.13	-	1,148.13
1,777 Compulsory convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,000 each	-	631.43	-	631.43	-	631.43
4,200 Optionally convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,00 each	-	434.44	-	434.44		434.44
Subtotal	-	1,065.87	1,148.13	2,214.00	-	2,214.00
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	69.50	-	23.76	93.26	-	93.26
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	626.00	-	-	626.00	-	626.00
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	822.30	-	311.41	1,133.71	-	1,133.71
Subtotal	1,690.72	-	514.24	2,204.96	-	2,204.96
Other Instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	10.10	-	10.10
Subtotal	-	194.11	10.10	204.21	-	204.21
Total (A) - Gross	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (A) Net	542.46	7,203.87	2,416.94	10,163.27	126.30	10,289.57
(B) Investments outside India	-	-	-	-	-	-
Investments in India	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Total (B) - Gross	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (B) - Net	542.46	7,203.87	2,416.94	10,163.27	126.30	10,289.57

Notes:

(i) For movement of impairment loss allowance refer note 7.1

(ii) Detail of Group's associate is given below. Associate is included in the Group's financial statements using equity method of accounting:

Name of entity	Principal Activity	Place of Incorporation	Principal place of business	Particulars	As at March 31, 2023	As at March 31, 2022
DMI Alternatives Private Limited	Investment Manager	Delhi	Delhi	% share in profits	49%	49%

(iii) An analysis of Group's investment in associate is as follows:

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	126.30	129.73
Addition/Adjustment	-	0.14
Disposal	-	-
Share of Profits/(Loss)	(54.67)	(3.57)
Dividend received	-	-
Balance at the end of the year	71.63	126.30

(iv) Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit/ (loss) after tax	(111.57)	(7.29)
Other Comprehensive income	0.53	(0.31)
Total Comprehensive Income	(111.04)	(7.60)

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9 Other financial assets (at amortized cost)

	As at March 31, 2023	As at March 31, 2022
Security deposit	26.24	25.55
First loss default guarantee recoverable	133.13	90.54
Interest accrued on fixed deposits	11.03	13.74
Money with partners pending for disbursement	-	898.89
Recoverable from partner	104.24	-
Unbilled revenue and recoverables	815.36	581.36
	1,090.00	1,610.08

10 Current tax assets

Advance income-tax (net)	198.76	296.13
	198.76	296.13

11 Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	321.69	379.33
Difference in income recognition on unrealized gain on mutual fund investments	9.97	23.80
Total deferred tax liabilities	331.66	403.13
Deferred tax asset		
Provision for employee benefits	30.85	20.96
Difference in written down value as per Companies Act and Income-tax Act	15.12	12.18
EIR adjustment for processing fee	260.36	77.29
Liability against leases	11.05	9.91
Impairment loss allowance	1,200.30	1,131.17
Notional Interest on Market linked debentures	14.57	-
Non deductible tax expenses	0.08	-
Carry forward of losses	18.82	3.23
Carry forward of interest disallowed u/s 94B	-	28.53
Gross deferred tax asset	1,551.15	1,283.27
Net Deferred Tax (Liability)/ Asset	1,219.49	880.14

Movement of deferred tax assets	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2023
Liabilities				
Fair value of financial instruments	379.33	(114.96)	57.32	321.69
Difference in income recognition on unrealized gain on mutual fund investments	23.80	(13.83)	-	9.97
Deferred Tax Liabilities	403.13	(128.79)	57.32	331.66
Assets				
Provision for employee benefits	20.96	11.13	(1.24)	30.85
Difference in written down value as per Companies Act and Income-tax Act	12.18	2.94	-	15.12
EIR adjustment for processing fee	77.29	183.07	-	260.36
Liability against leases	9.91	1.14	-	11.05
Impairment loss allowance	1,131.17	69.13	-	1,200.30
Notional Interest on Market linked debentures	-	14.57	-	14.57
Non deductible tax expenses	-	0.08	-	0.08
Carry forward of Losses	3.23	15.59	-	18.82
Carry forward of interest disallowed u/s 94B	28.53	(28.53)	-	-
Deferred Tax Assets	1,283.27	269.12	(1.24)	1,551.15
Net Deferred tax asset	880.14	397.92	(58.56)	1,219.49

Movement of Deferred tax assets	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Liabilities				
Fair value of financial instruments	19.18	149.02	211.13	379.33
Difference in income recognition on unrealized gain on mutual fund investments	72.78	(48.98)	-	23.80
Deferred Tax Liabilities	91.96	100.04	211.13	403.13
Assets				
Provision for employee benefits	14.48	6.62	(0.14)	20.96
Difference in written down value as per Companies Act and Income-tax Act	6.54	5.64	-	12.18
EIR adjustment for processing fee	30.81	46.48	-	77.29
Liability against leases	7.43	2.48	-	9.91
Impairment loss allowance	640.90	490.27	-	1,131.17
Carry forward of Losses	-	3.23	-	3.23
Carry forward of interest disallowed u/s 94B	25.67	2.86	-	28.53
Deferred tax assets	725.83	557.58	(0.14)	1,283.27
Net Deferred tax assets	633.87	457.54	(211.27)	880.14

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12 Property, plant and equipment (at cost or deemed cost)

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold improvements	Total
Gross carrying amount						
Balance as at March 31, 2021	1.89	37.81	5.36	32.53	141.24	218.83
Additions	0.05	19.84	0.19	0.47	0.01	20.56
Disposals	(0.04)	-	-	(0.33)	(3.97)	(4.32)
Balance as at March 31, 2022	1.90	57.65	5.55	32.69	137.28	235.07
Additions	0.11	32.21	-	6.74	43.98	83.04
Disposals	(0.06)	(0.93)	-	(0.02)	-	(1.01)
Balance as at March 31, 2023	1.95	88.93	5.55	39.41	181.26	317.10
Accumulated depreciation						
Balance as at March 31, 2021	0.90	28.03	4.27	23.02	46.38	102.60
Charge for the year	0.26	11.31	0.42	4.10	15.81	31.90
Disposals	(0.03)	-	-	(0.27)	(3.77)	(4.07)
Balance as at March 31, 2022	1.13	39.34	4.69	26.85	58.42	130.43
Charge for the year	0.24	18.95	0.26	5.08	19.81	44.35
Disposals	(0.03)	(0.63)	-	(0.02)	-	(0.68)
Balance as at March 31, 2023	1.34	57.66	4.95	31.91	78.23	174.10
Net carrying amount						
As at March 31, 2022	0.77	18.31	0.86	5.84	78.86	104.64
As at March 31, 2023	0.61	31.27	0.60	7.50	103.03	143.00

Notes:

I) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 15 - Right of use assets.

II) During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.

III) There is no proceeding initiated against the group for the properties under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

13 (a) Capital work in progress

	As at March 31, 2023	As at March 31, 2022
Capital work in progress	-	23.27
	-	23.27

As at 31 March, 2023	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at 31 March, 2022	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	23.27	-	-	-	23.27
Projects temporarily suspended	-	-	-	-	-
	23.27	-	-	-	23.27

Note:
Contractual commitments to be executed on capital account amounting to Rs. 4.05 millions (previous year: Rs. 18.25 millions)

13 (b) Intangible assets under development

	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	8.78	-
	8.78	-

As at 31 March, 2023	Amount in Intangible assets under development for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8.78	-	-	-	8.78
Projects temporarily suspended	-	-	-	-	-
	8.78	-	-	-	8.78

As at 31 March, 2022	Amount in Intangible assets under development for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note:
Contractual commitments to be executed on capital account amounting to Rs. 2.90 millions. (previous year: Nil)

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14 Goodwill

Particulars	As at March 31, 2023	As at March 31, 2022
Cost or deemed cost	253.53	253.53
Accumulated impairment loss	-	-
	253.53	253.53

Particulars	As at March 31, 2023	As at March 31, 2022
Cost or deemed cost	-	-
Balance at the beginning of the year	253.53	-
Additions on account of acquisitions/business combinations	-	253.53
Adjustments	-	-
Foreign currency translation reserve	-	-
Balance at the end of the year	253.53	253.53

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	253.53	-
Additions on account of acquisitions/business combinations	-	253.53
Impairment losses recognised in the year	-	-
Balance at the end of the year	253.53	253.53

Notes:

i) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassesing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

ii) For the purpose of impairment testing, goodwill acquired in one of the subsidiary is compared with the synergies arising from the subsidiary. After testing, no impairment loss was assessed.

15 Right of use assets

	Right of use assets	Total
Gross carrying amount		
Balance as at March 31, 2021	293.91	293.91
Additions	75.08	75.08
Disposals	-	-
Balance as at March 31, 2022	368.99	368.99
Additions	10.27	10.27
Disposals		-
Balance as at March 31, 2023	379.26	379.26
Depreciation		
Balance as at March 31, 2021	83.20	83.20
Additions	50.84	50.84
Disposals	-	-
Balance as at March 31, 2022	134.04	134.04
Additions	48.87	48.87
Disposals	-	-
Balance as at March 31, 2023	182.91	182.91
Net carrying amount		
As at March 31, 2021	210.71	210.71
As at March 31, 2022	234.95	234.95
As at March 31, 2023	196.35	196.35

Note: For other details please refer Note 48

16 Other intangible assets

	Software	Total
Gross carrying amount		
Balance as at March 31, 2021	39.91	39.91
Additions	25.29	25.29
Disposals	-	-
Balance as at March 31, 2022	65.20	65.20
Additions	5.95	5.95
Disposals	-	-
Balance as at March 31, 2023	71.15	71.15
Amortization		
Balance as at March 31, 2021	17.11	17.11
Additions	16.69	16.69
Disposals	-	-
Balance as at March 31, 2022	33.80	33.80
Additions	15.69	15.69
Disposals	-	-
Balance as at March 31, 2023	49.49	49.49
Net carrying amount		
As at March 31, 2022	31.41	31.41
As at March 31, 2023	21.66	21.66

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		As at March 31, 2023	As at March 31, 2022
17	Other non- financial assets		
	Prepaid expenses	147.40	104.16
	Balances with statutory / government authorities	6.80	5.05
	Advance salary	1.58	0.04
	Advances given to service providers#	72.47	93.32
	Other non-financial assets*	21.51	2.35
		249.76	**204.91**

*Includes Rs. 18.63 million (previous year : Nil) incurred for expenses related to issue of equity shares and shall be adjusted with share premium of the issue of the Holding company.
#Includes advance to service provider of Rs. 72.47 millions (previous year: Rs. 55.32 millions) in order to facilitate Prepaid card transactions

18	**Assets held for sale**		
	Assets under settlement (see note below)	75.00	143.88
		75.00	**143.88**

Note : These assets represent assets acquired from the Holding Company's borrowers as a part of Group's risk management strategy. In these cases, the Holding Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Holding Company and borrower to transfer the asset in the name of the Holding Company towards settlement of the loan amount.
Basis the development, the Holding Company, on prudent basis, has impaired asset under settlement amounting to Rs. 68.88 million (previous year: Rs.45.97 million)

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	As at March 31, 2023	As at March 31, 2022
19 Payables		
a. Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	8.97	94.79
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,165.75	697.23
	1,174.72	792.02
b. Other payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	525.06	379.87
	525.06	379.87
Total	1,699.78	1,171.89

i) Trade payable and other payable ageing schedule

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	8.97	-	-	-	8.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,515.98	135.07	31.58	8.18	1,690.81
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	1,524.95	135.07	31.58	8.18	1,699.78

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	94.79	-	-	-	94.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	1032.22	35.98	5.10	3.80	1077.10
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	1,127.01	35.98	5.10	3.80	1,171.89

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ii) **Amount outstanding of Micro,Small and Medium Enterprises Development Enterprises**

Based on the responses received from certain suppliers, the Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2023	As at March 31, 2022
i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	8.97	94.79
- Interest thereon	-	0.03
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment	-	-
iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) the amount of interest accrued and remaining unpaid	0.03	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

20 **Debt securities (at amortised cost)**

Non convertible debentures (refer note 20.1)	15,352.85	18,552.27
Market linked debentures (refer note 20.2)	1,485.06	-
	16,837.91	**18,552.27**
Secured **	1,984.92	499.27
Unsecured	14,852.99	18,053.00
Total	**16,837.91**	**18,552.27**
Debt securities in India	16,837.91	18,552.27
Debt securities outside India	-	-
Total	**16,837.91**	**18,552.27**

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company of Rs. 2,668.62 millions (previous year Rs. 893.22 millions).

The Holding Company has not created the debenture redemption reserve as it is not mandatorily required in accordance with provisions of the Companies Act 2013.

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20.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Terms of redemption
INE604O07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500	499.85	499.27	36 Months from the date of Allotment. Coupon payment frequency is yearly
Total							499.85	499.27	

All secured against exclusive charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Terms of redemption
INE604O08066	October 1, 2019	October 1, 2022	10,00,000	1,160	10.35%	1,160.00	-	1,160.00	36 months from date of allotment. Coupon payment frequency is quarterly. Matured and paid during Financial year 2023.
INE604O08074	October 21, 2019	October 21, 2022	10,00,000	2,040	10.35%	2,040.00	-	2,040.00	36 months from date of allotment. Coupon payment frequency is quarterly. Matured and paid during Financial year 2023.
INE604O08082	November 25, 2019	November 25, 2023	10,00,000	2,040	8.50%	2,040.00	2,040.00	2,040.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08090	December 10, 2019	December 10, 2023	10,00,000	867	8.50%	867.00	867.00	867.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08108	February 20, 2020	February 20, 2024	10,00,000	7,172	8.50%	7,172.00	7,172.00	7,172.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08124	February 28, 2020	February 28, 2024	10,00,000	4,640	9.50%	4,640.00	4,640.00	4,640.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604O08116	March 12, 2020	March 12, 2024	10,00,000	134	8.50%	134.00	134.00	134.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
Total							14,853.00	18,053.00	

20.2 Terms of redeemable Market Linked Debentures (MLD's)

Secured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Terms of redemption
INE604O07167	October 21, 2022	October 21, 2024	10,00,000	1,500	As per Table Below *	1,500.00	1485.06	-	24 Months from the date of Allotment. Coupon payment frequency is at maturity.
Total							1485.06	-	

* If Yield of GSEC 2032 on Redemption Date	Coupon(XIRR)
Is <= 18%	8.75% XIRR
Is <= 24% and >18%	8.70% XIRR
Is > 24%	-

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	As at March 31, 2023	As at March 31, 2022
21 Borrowings (other than debt securities) (at amortised cost)		
Secured		
Term loans		
From banks (See note i, iv and vii below)	20,489.36	8,717.10
Other loans		
Securitisation - PTC Borrowings (See note iii and v below)	2,902.81	-
Cash credit and overdraft		
From banks (See note i and ii below)	496.34	248.43
Sub-total (A)	**23,888.51**	**8,965.53**
Unsecured		
Term loans		
From Individuals (See note vi below)	0.83	8.15
From Corporates (See note vi below)	-	11.57
From banks	-	2.82
Sub-total (B)	**0.83**	**22.54**
Total (A+B)	**23,889.34**	**8,988.07**
Borrowings in India	23,889.34	8,988.07
Borrowings outside India	-	-
Total	**23,889.34**	**8,988.07**

Notes:

i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company to the extent of Rs. 28,663.73 millions (Previous year: Rs. 14,257.92 millions).

ii) Exclusive Hypothecation charge on the standard receivables of the Holding Company at all times and cash credit is repayable on demand.

iii) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company to the extent of Rs. 3748.46 millions

iv) Terms of repayment of borrowings as on March 31, 2023 are as follows:

Lender	Disbursement Amount	Repayment	Rate of interest	Security cover	Outstanding as on March 31,2023	Outstanding as on March 31, 2022
Bank of Baroda-1	1,000	16 quarterly installments	>6.00%<12%	133%	-	248.50
Bank of Baroda-2	500	16 monthly installments	>6.00%<12%	133%	249.25	373.33
Bank of Baroda-3	500	16 quarterly installments	>6.00%<12%	133%	373.58	497.50
Bank of Baroda-4	1,000	12 quarterly Installments	>6.00%<12%	125%	829.14	-
Bank of Baroda-5	1,000	12 quarterly Installments	>6.00%<12%	125%	994.31	-
Karnataka Bank Limited	200	11 quarterly installments	>6.00%<12%	125%	89.86	163.22
Karnataka Bank-2	250	11 quarterly Installments	>6.00%<12%	125%	110.93	221.86
Karnataka Bank-3	500	11 quarterly Installments	>6.00%<12%	125%	361.95	-
Bank of Maharashtra	500	42 monthly installments	>6.00%<12%	125%	320.31	476.93
Bank of Maharashtra-2	2,000	42 monthly Installment	>6.00%<12%	125%	1,846.91	-
HDFC Bank Limited-2	750	8 quarterly installments	>6.00%<12%	125%	102.64	512.55
HDFC Bank Limited-3	800	8 quarterly installments	>6.00%<12%	125%	399.23	797.04
HDFC Bank Limited-4	1,000	8 quarterly installments	>6.00%<12%	125%	747.92	-
HDFC Bank Limited-5	1,000	8 quarterly installments	>6.00%<12%	125%	830.56	-
HDFC Bank Limited-6	2,000	8 quarterly Installments	>6.00%<12%	125%	2,000.00	-
State Bank Of India-1	1,000	15 quarterly installments	>6.00%<12%	125%	596.52	865.74
State Bank Of India-2	2,000	15 quarterly installments	>6.00%<12%	125%	1,591.46	1,985.82
State Bank of India -3	2,000	15 quarterly Installments	>6.00%<12%	125%	1,988.97	-
Kotak Mahindra Bank Limited	400	24 monthly installments	>6.00%<12%	125%	149.90	349.44
Kotak Mahindra Bank Ltd.-2	750	24 monthly Installment	>6.00%<12%	125%	468.26	-
IndusInd Bank Limited	500	12 quarterly installments	>6.00%<12%	125%	331.15	495.74
IndusInd-2	500	12 quarterly Installments	>6.00%<12%	125%	494.98	-
Punjab National Bank	500	35 monthly installments	>6.00%<12%	133%	312.51	483.82
South Indian Bank Limited	500	15 quarterly installments	>6.00%<12%	125%	398.02	499.04
Indian Bank	750	16 quarterly installments	>6.00%<12%	125%	560.45	746.57
Indian Bank-2	500	11 quarterly Installments	>6.00%<12%	125%	497.48	-
Sumitomo Mitsui Banking Corporation	1,000	Upto 3 Months	>6.00%<12%	125%	999.73	-
CSB Bank Limited	500	12 quarterly Installments	>6.00%<12%	125%	373.43	-
DCB Bank Limited	250	11 quarterly Installments	>6.00%<12%	125%	250.02	-
Bandhan Bank	500	45 monthly Installment	>6.00%<12%	125%	498.48	-
Utkarsh Small Finance Bank Limited	300	37 monthly Installment	>6.00%<12%	125%	275.16	-
Jammu & Kashmir Bank Limited	500	14 quarterly Installments	>6.00%<12%	125%	496.25	-
HDFC Bank WCDL	450	Upto 90 days	>6.00%<12%	125%	450.00	-
HDFC Bank CC WCDL	500	5 months	>6.00%<12%	125%	500.00	-
HDFC Bank Limited *	3	48 monthly Installment	>6.00%<12%	NA	-	2.82
Total					**20,489.36**	**8,719.92**

*Unsecured loan taken by one of the subsidiary under Guaranteed Emergency Credit Line scheme

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v) Terms of repayment of Securitization- PTC borrowings as on March 31, 2023 are as follows:

Securitisation	Total Amount	Payment Terms	ROI	Transaction Structure	Outstanding as on March 31,2023	Outstanding as on March 31, 2022
MOST I	2,381.00	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	119.00	-
PLUM II	772.70	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	552.50	-
PLUM I	905.30	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	748.30	-
PLUM III	1,491.20	Monthly Payout to the Trust on the Pay in Date	>6.00%<12%	At par	1,483.01	-
Total					2,902.81	-

vi) Unsecured loans from individuals and corporate are repayable on demand.

vii) Secured term loans from banks amounting to Rs. 20,489.36 millions and carry rate of interest in the range of 6.00% to 12% p.a. The loans are having tenure of upto 4 years from the date of disbursement and are repayable in both monthly and quarterly installments. The secured term loans are secured by hypothecation (exclusive charge) of the book debt receivables of the Holding Company.

viii) There are no term loans from financial institutions.

ix) The Group has not defaulted in the repayment of dues to its lenders.

x)The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

xi) The Group has been submitting monthly/quarterly receivable/stock data with the lenders as per the provision of sanction letters and there are no discrepancies between receivable/stock data submitted to the lenders and book of accounts.

xii) The corporate guarantee given by the Holding Company for borrowings of fellow group company on which charge is created on the assets of the Holding Company have not been considered for the disclosure as their charge is not due for the satisfaction. Further, the Group doesn't have any charges or satisfaction which is yet to be registered with ROC beyond statutory period

xiii) The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they are borrowed.

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	As at March 31, 2023	As at March 31, 2022
22 Lease liabilities		
Lease liabilities (refer note 48)	242.29	276.36
	242.29	**276.36**
23 Other financial liabilities		
Interest accrued but not due		
- Debt securities	208.49	156.43
- Borrowings other than debt securities	75.49	6.44
	283.98	**162.87**
24 Provisions		
Provision for gratuity (refer note 40)	41.69	34.56
Provision for compensation absences	60.62	52.04
	102.31	**86.60**
25 Other non-financial liabilities		
Statutory dues payable	223.62	64.48
Advances for goods and services	33.13	33.75
Prepaid Payment Instrument balances	0.33	0.22
Security deposit	4.71	4.71
Others	-	0.35
	261.79	**103.51**

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26 Equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	1,96,50,00,000	19,650.00	96,50,00,000	9,650.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	2,00,00,00,000	20,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	65,51,52,742	6,551.53	65,50,78,001	6,550.78
Sub total (A)	65,51,52,742	6,551.53	65,50,78,001	6,550.78
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	16.22
Sub total (B)	5,73,15,400	16.22	5,73,15,400	16.22
Total (A+B)	71,24,68,142	6,567.75	71,23,93,401	6,567.00

26.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	71,23,93,401	6,567.00	69,93,50,933	6,436.58
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	71,23,93,401	6,567.00	69,93,50,933	6,436.58
Shares issued during the year	74,741	0.75	1,30,42,468	130.42
First call money called on party paid up shares	-	-	-	-
Balance at the end of year	71,24,68,142	6,567.75	71,23,93,401	6,567.00

26.2 Shares held by holding Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	72.97%	51,98,89,603	72.98%
	51,98,89,603	72.97%	51,98,89,603	72.98%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

26.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	51,98,89,603	72.97%	51,98,89,603	72.98%
NIS Ganesha S.A.	6,47,35,441	9.09%	6,47,35,441	9.09%
K2VZ	5,73,15,400	8.04%	5,73,15,400	8.05%

Notes:

(i) As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(ii) During the current year, the Holding Company has issued 74,741 equity shares of Rs. 10 per share at applicable exercise price under the ESOP plans. The amount received on these issues aggregates to Rs. 3.60 million.

(iii) The Authorised share capital has been increased from RS. 10,000 million to Rs.20,000 million. The same was approved by the shareholders of the Holding Company in it's meeting held on Nov 15, 2022.

(iv) % holding is calculated on the basis of number of shares held by the respective shareholder.

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26.4 Details of shares held by promoters

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	51,98,89,603	51,98,89,603
Change during the year	-	-
No. of shares at the end of the year	51,98,89,603	51,98,89,603
% of total shares	72.97%	72.98%
% change during the year	(0.01%)	(1.83%)

DMI Limited is the promoter of the Holding Company

26.5 Rights, preferences and restrictions

The Holding Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

26.6 Aggregate number of shares issued for consideration other than cash during the five years

The Holding Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

26.7 Uncalled and Unpaid Capital

There are 5,73,15,400 equity shares issued by the Holding Company against which, the Holding Company has received Rs. 16,52,47,259 (including securities Premium of Rs. 14,90,25,873). Balance amount is not called up by the Holding Company.

26.8 The Holding Company has filed an application under Section 66(1)(a) of Companies Act, 2013 with Hon'ble National Company Law Tribunal ("NCLT") for reduction of Issued, Subscribed and Paid-up share Capital of the Holding Company on June 8, 2022. Pursuant to such capital reduction 57,315,400 partly paid equity shares are expected to be reduced to 1,622,138 shares. Further, the order from NCLT is awaited.

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27 Other equity

	As at March 31, 2023	As at March 31, 2022
Securities premium	25,711.77	25,707.55
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	1,741.05	1,093.02
Share based payment outstanding reserve	305.07	187.02
Share warrant reserve	74.80	32.44
Retained earnings	6,833.23	4,333.59
Other comprehensive income	860.05	685.96
Upfront monies received on share warrant	0.72	0.50
Total	35,607.90	32,121.29
Securities premium		
Opening balance	25,707.55	23,495.35
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	4.22	2,212.20
Closing balance	25,711.77	25,707.55
Capital redemption reserve		
Opening balance	81.21	81.21
Add : Additions during the year	-	-
Closing balance	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act		
Opening balance	1,093.02	977.46
Add : Transfer during the year from Surplus in statement of profit and loss	648.03	115.56
Closing balance	1,741.05	1,093.02
Share based payment outstanding reserve		
Opening balance	187.02	140.95
Add: Granted/vested during the year	121.83	73.56
Less : Exercised during the year	(3.78)	(27.49)
Closing balance	305.07	187.02
Share warrant reserve		
Opening balance	32.44	-
Add : Addition during the year	42.36	32.44
Closing balance	74.80	32.44
Retained earnings		
Opening balance	4,333.59	3,873.76
Add : Profit for the year	3,147.67	583.03
Less: Loss on subsequent acquisition in Subsidiary	-	(7.64)
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(648.03)	(115.56)
Closing balance	6,833.23	4,333.59

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	As at March 31, 2023	As at March 31, 2022
Upfront monies received on share warrant		
Opening balance	0.50	-
Add : Amount received during the year	0.22	0.50
Closing balance	0.72	0.50
Other Comprehensive Income		
Opening balance	685.96	57.84
Add: Remeasurement gain on defined benefit plan	3.69	0.97
Add : Gain on Fair Value changes (Debt and Equity)	170.40	627.15
Closing balance	860.05	685.96

Security premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares.

Statutory reserve u/s 45-IC of RBI Act

The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Holding Company and subsidiary companies under Holding Company's employee stock option plan.

Share warrant reserve

The reserve is used to recognise the fair value of the warrants issued to consultants of the Holding and subsidiary companies.

Retained earnings

Retained earnings or accumulated surplus and represents total of all profits retained since the Holding Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

Upfront monies received on share warrant

Upfront monies received on share warrant represents the upfront monies received against the share warrants issued by the Holding Company.

28 Non-controlling interests

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	29.13	-
Share of profit/(loss) for the year	(2.48)	-
Dividend	-	-
Equity component of Preference Share Capital	-	-
Non-controlling interests on acquisition in/of Appnit Technologies Private Limited	-	29.13
Balance at the end of the year	26.65	29.13

Details of non-wholly owned subsidiary that have non-controlling interests

The table shows details of non-wholly owned subsidiary of the Group that has non-controlling interests:

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests	
		March 31,2023	March 31,2022	March 31,2023	March 31,2022
Appnit Technologies Private Limited	India	5.96%	5.96%	(2.48)	29.13

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets	152.82	239.15
Non Financial assets	103.74	103.17
Financial liabilities	7.39	45.39
Non Financial liabilities	37.85	44.03
Equity attributable to the owners of the company	184.67	223.82
Non-controlling interests	26.65	29.13

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income	48.02	-
Expenses (including taxes)	89.74	-
Profit/(loss) for the year	(41.72)	-
Profit/(loss) attributable to the owners of the Company	(39.24)	-
Profit/(loss) attributable to the non-controlling interests	(2.48)	-
Other comprehensive income for the year	0.08	-
Other comprehensive income attributable to the owners of the Company	0.08	-
Other comprehensive income attributable to the non-controlling interests	-	-
Total comprehensive income of the year	(41.64)	-

Note: Above numbers are gross.

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29 Interest income

	Year ended March 31, 2023			Year ended March 31, 2022		
	On financial instruments measured at fair value through Profit and Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial instruments measured at fair value through Profit and Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest income on portfolio loans	-	15,391.00	21.51	-	7,280.24	30.22
Interest income on investments	106.92	256.47	155.50	23.19	310.85	154.84
Interest on deposits with bank	-	38.65	-	-	38.06	-
	106.92	15,686.12	177.01	23.19	7,629.15	185.06
Total interest income			15,970.05			7,837.41

30 Fees and commission income

	Amount Invoiced		Revenue booked	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Fee on card reload	1.82	21.42	1.82	21.42
Consulting fee	40.46	109.74	40.46	109.74
Payment gateway fee	35.98		35.98	-
Others *			187.15	104.09
	78.26	131.16	265.41	235.25

*includes income related to recoveries from Consumer loans

31 Net gain on fair value changes

	Year ended March 31, 2023	Year ended March 31, 2022
(A) Net gain on financial instruments at fair value through profit and loss		
on financial instruments designated at fair value through profit or loss	199.06	963.40
(B) others	-	-
	199.06	963.40
Analysis of fair value changes#		
Realised	339.28	716.69
Unrealised	(140.22)	246.71
	199.06	963.40

#shows the change from the date of investment

32 Other income

Cost sharing from group companies	158.73	122.08
Income on Treasury instruments	-	16.89
Interest income on income tax refund	0.32	0.75
Interest income on unsecured loans	1.25	1.10
Liabilities written back	4.24	17.04
Foreign exchange gain (net)	0.01	0.09
Miscellaneous income	21.35	5.10
	185.90	163.05

33 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,533.36	1,685.76
- on market linked debentures	62.11	-
Interest on borrowings (other than debt securities)		
- on bank term loan	1,189.84	211.88
- on bank cash credit	20.19	0.58
Other interest expense		
- on delayed deposit of statutory dues	-	0.08
- on leasing arrangements	26.33	16.09
- securitisation	179.96	-
Other borrowing costs	6.87	2.14
	3,018.66	1,916.53

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DMI Finance Private Limited
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		Year ended March 31, 2023	Year ended March 31, 2022
34	**Fees and commission expense**		
	Selling partner commission	1,357.13	677.01
		1,357.13	677.01
35	**Impairment on financial instruments**		
	Expected credit loss allowance	461.24	1,999.90
	Write offs	3,550.96	1,412.03
		4,012.20	3,411.93
36	**Employee benefits expense**		
	Salaries, wages and bonus	1,074.65	724.50
	Contribution to provident and other funds	16.30	24.13
	Gratuity expenses (refer note 40)	14.29	11.29
	Share based payment to employees	134.22	73.56
	Staff welfare expenses	42.15	27.29
		1,281.61	860.77

** Includes 12.39 millions of warrants issued by fellow subsidiary (DMI Housing Finance) to employees of the Company

37	**Depreciation and amortization**		
	Depreciation on property, plant and equipment (See note 12)	44.35	31.90
	Amortisation of right of use assets (See note 15)	48.87	50.84
	Amortisation of other intangible assets (See note 16)	15.69	16.69
		108.91	99.43
38	**Other expenses**		
	Advertisement expenses	25.31	8.85
	Legal and professional fees*	915.69	611.21
	Travelling and conveyance expenses	75.43	10.51
	Auditor's remuneration (refer note 38.1)	4.84	4.05
	IT expenses	491.85	256.16
	Rates and taxes	7.44	6.57
	Rent	10.76	5.06
	Goods and service tax	420.12	201.20
	Director's sitting fee	0.76	0.68
	Corporate social responsibility (refer note 38.2)	16.88	18.42
	Repair and maintenance	26.20	14.60
	Insurance expense	1.50	0.24
	Credit evaluation fee	328.60	151.27
	Credit rating fee	9.93	5.24
	Customer onboarding expenses	0.06	0.07
	Assets held for sale written off	69.17	45.97
	Amortization of premium on debenture	-	0.37
	Miscellaneous expenses	112.41	87.77
		2,516.95	1,428.24

* includes share warrant expense amounting to Rs. 40.79 millions (previous year Rs. 32.44 millions)

38.1	**Auditor's remuneration (excluding applicable taxes)**		
	- as auditors	3.36	2.80
	- for tax services	0.36	0.30
	- for other services*	1.12	0.95
		4.84	4.05

* includes amount of INR 0.15 million paid to erstwhile auditor of the Holding company in previous year

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38.2 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Group during the year was Rs. 16.25 millions in FY 2022-23 (Previous Year Rs. 17.40 millions) and Group has spent Rs. 15.33 millions in FY 2022-23 (Previous Year Rs. 17.40 millions).

	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount unspent for the last year	-	-
Gross amount required to be spent by the Group during the year	16.88	18.42
Amount spent during the year	15.94	18.42
Construction/acquisition of any asset	-	-
Paid in cash	15.94	18.42
Yet to be paid in cash	0.94	-
Nature of CSR Activities		
Education, Nutrition and Women Empowerment	10.44	14.66
Promoting and development towards healthcare	-	3.27
Promoting Indian Classical art and culture among youth	-	0.50
Training and helping Indian Athletes to win Olympic Gold medals	-	-
Provide supporting in eradication of hunger	-	-
Uplifment of abandoned and poor	4.00	-
Provision of low cost sanitation	1.50	-

Notes :

a) There is no transaction with related parties as defined under the IND AS 24 'Related Party Disclosures'

b) There is a provision of 0.92 millions in the books as at March 31, 2023

39 Earning per share (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Net profit attributable to equity shareholders	3,145.19	583.03
Net profit for the year for basic EPS	3,145.19	583.03
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	3,145.19	583.03
Nominal value of equity shares (in Rs.)	10.00	10.00
Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)	65,67,16,725	64,77,49,654
Convertible instruments	98,34,747	1,21,00,997
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	66,65,51,472	65,98,50,651
Basic EPS	4.87	0.83
Dilutive EPS	4.80	0.81

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40 Retirement benefit plan

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Group in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 16.30 millions (previous year: Rs. 24.13 millions) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive Income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	34.56	24.67
Current service cost	11.81	9.65
Interest cost	2.48	1.64
Benefits Paid	(2.23)	(0.22)
On acquisition of Subsidiary	-	0.12
Remeasurement (gain) / loss	(4.93)	(1.30)
Balance at the end of the year	**41.69**	**34.56**

Amount recognised in the statement of profit and loss is as under:	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	11.81	9.65
Interest cost on defined benefit obligation	2.48	1.64
Net impact on profit before tax	**14.29**	**11.29**
Amount recognised in the other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	(0.04)	-
Actuarial changes arising from changes in financial assumptions	(1.85)	(2.84)
Experience adjustments	(3.04)	1.55
Impact on other comprehensive income	**(4.93)**	**(1.30)**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Holding company's plans are shown below:

Economic assumptions		
Discount rate	7.36%	7.18%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Holding Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

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Sensitivity analysis for gratuity liability	Year ended March 31, 2023	Year ended March 31, 2022
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(3.02)	(2.50)
Impact due to decrease of 0.50 %	3.34	2.75
Impact of the change in salary increase		
Impact due to increase of 0.50 %	2.60	2.72
Impact due to decrease of 0.50 %	(2.39)	(2.49)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2023	As at March 31, 2022
0 to 1 year	0.81	0.54
1 to 2 year	0.60	0.57
2 to 3 year	0.67	0.60
3 to 4 year	0.72	0.64
4 to 5 year	0.95	0.65
5 to 6 year	0.94	0.71
6th year onwards	37.00	30.85
Total expected payments	**41.69**	**34.56**

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41 Employee Stock Option Plan

I. The Holding Company has formulated share-based payment schemes for its group employees. Details of all grants in operation during the year ended March 31, 2023 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of options granted	Method of settlement	Graded vesting period *	Number of employees to whom options were granted	First vesting date	Exercise period **	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	01-Apr-19	11-Feb-20	6,25,248	Shares	See Below	47	31-03-2020	5 years	As per plan	95.49	95.49
DMI ESOP Retention Plan 2019	16-Mar-20	11-Feb-20	13,35,000	Shares	See Below	13	15-03-2021	5 years	As per plan	100.00	101.87
DMI ESOP plan 2018	19-Mar-18	16-Mar-18	23,038	Shares	See Below	6	18-03-2019	5 years	As per plan	43.90	22.81
DMI Retention Plan, 2018	01-Apr-18	16-Mar-18	10,69,927	Shares	See Below	19	31-03-2019	5 years	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme	01-Oct-18	01-Oct-18	5,79,148	Shares	See Below	5	30-09-2019	5 years	As per plan	62.21	95.49
DMI ESOP Plan, Legacy Scheme	01-Apr-18	16-Mar-18	2,81,354	Shares	See Below	5	31-03-2019	5 years	As per plan	13.29	24.68
DMI Employment Contract 2020	16-Feb-21	09-Apr-20	23,068	Shares	See Below	1	15-02-2022	5 years	As per plan	113.34	113.34
DMI Retention Bonus (NBFC Apr'20)	21-Apr-20	09-Apr-20	2,75,000	Shares	See Below	14	31-03-2021	5 years	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	01-Apr-20	09-Apr-20	3,63,094	Shares	See Below	48	31-03-2021	5 years	As per plan	116.36	116.36
DMI Variable2019-20	01-Jan-21	09-Apr-20	9,865	Shares	See Below	2	31-03-2021	5 years	As per plan	113.34	113.34
DMI Finance Plan 2021	01-Apr-21	21-Jun-21	3,52,939	Shares	See Below	63	01-04-2022	5 years	As per plan	113.34	113.00
DMI Finance Plan 2021	01-Apr-21	21-Jun-21	2,00,000	Shares	See Below	1	01-04-2022	5 years	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	01-Apr-21	21-Jun-21	2,70,000	Shares	See Below	24	01-04-2024	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	21-Jun-21	30,11,000	Shares	See Below	98	27-07-2024	5 years	As per plan	112.86	112.86
DMI Employment Contract 2021-22 - II	20-Dec-21	21-Jun-21	12,210	Shares	See Below	1	20-12-2024	5 years	As per plan	209.00	209.00
DMI ESOP Plan, Management - III	15-Jan-22	21-Jun-21	18,315	Shares	See Below	1	15-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - III	28-Jan-22	21-Jun-21	6,105	Shares	See Below	1	28-01-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - IV	01-Mar-22	21-Jun-21	7,326	Shares	See Below	1	01-03-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - V	07-Mar-22	21-Jun-21	3,663	Shares	See Below	1	07-03-2025	5 years	As per plan	209.00	209.00
DMI Finance ESOP Plan 2022 - I	1-Apr-22	20-May-22	5,01,364	Shares	See Below	127	01-04-2023	5 years	As per plan	212.81	212.81
DMI Finance ESOP Plan 2022 - II	1-Jul-22	20-May-22	2,497	Shares	See Below	1	01-04-2023	5 years	As per plan	212.81	212.81
Employment Contract - Aug'22 - II	12-Aug-22	12-Aug-22	1,670	Shares	See Below	1	12-08-2025	5 years	As per plan	217.77	217.77
Employment Contract - Aug'22 - III	25-Aug-22	12-Aug-22	1,670	Shares	See Below	1	25-08-2025	5 years	As per plan	217.77	217.77
Employment Contract - Jun'22	22-Jun-22	12-Aug-22	5,945	Shares	See Below	1	22-06-2025	5 years	As per plan	212.81	212.81
Employment Contract - Mar'23	1-Mar-23	27-Mar-23	29,154	Shares	See Below	2	01-03-2026	5 years	As per plan	225.11	225.11
Employment Contract - Nov'22	10-Nov-22	14-Nov-22	2,188	Shares	See Below	1	10-11-2025	5 years	As per plan	221.53	217.77
Employment Contract - Sep'22	30-Sep-22	14-Nov-22	2,188	Shares	See Below	1	30-09-2025	5 years	As per plan	221.53	217.77
Employment Contracts - Apr'22	28-Apr-22	20-May-22	1,784	Shares	See Below	1	28-04-2025	5 years	As per plan	212.81	212.81
Employment Contracts - Jul'22	1-Jul-22	12-Aug-22	30,000	Shares	See Below	3	01-07-2025	5 years	As per plan	217.77	217.77
Employment Contracts - May'22	4-May-22	20-May-22	30,000	Shares	See Below	1	04-05-2025	5 years	As per plan	212.81	212.81
Founder Circle Award 2022-23 (NBFC Feb'23)	1-Feb-23	27-Mar-23	1,00,48,700	Shares	See Below	150	01-02-2028	6 years	As per plan	225.11	225.11
Total			1,91,23,461			642					

Graded vesting period*

*1 As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

*2. For Schemes Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21), DMI Employment Contract 2021-22 - I, DMI Employment Contract 2021-22 - IV, Employment Contract - Aug'22 - II, Employment Contract - Aug'22 - III, Employment Contract - Jun'22, Employment Contract - Mar'23, Employment Contract - Nov'22, Employment Contract - Sep'22, Employment Contracts - Apr'22, Employment Contracts - Jul'22 and Employment Contracts - May'22 options will vest on completion of three years from the grant dates respectively.

*3 For Scheme Founder Circle Award 2022-23 (NBFC Feb'23) options will vest on completion of five years from the grant date.

Exercise period **

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date

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II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	24,527		1,489		23,038	0.08
DMI Retention Plan, 2018	10,90,536		20,609		10,69,927	0.50
DMI ESOP Plan, Management Scheme	5,86,222			7,074	5,79,148	0.50
DMI ESOP Plan, Legacy Scheme	3,14,148		32,794		2,81,354	-
DMI ESOP PLAN 2019	6,46,899		7,497	14,154	6,25,248	1.00
DMI ESOP RETENTION PLAN 2019	14,00,000			65,000	13,35,000	2.06
DMI Employment Contract 2020	23,068				23,068	2.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000			3,05,000	2,75,000	2.06
DMI Finance ESOP Plan 2020	3,88,823		7,529	18,200	3,63,094	2.00
DMI Variable2019-20	9,865				9,865	2.76
DMI Finance Plan 2021	4,33,708		4,823	75,946	3,52,939	3.00
DMI Finance Plan 2021	2,00,000				2,00,000	3.00
Founder Circle Award 2020-21 (NBFC Apr'21)	4,30,000			1,60,000	2,70,000	3.00
Founder Circle Award 2020-21 (NBFC Jul'21)	37,23,000			7,12,000	30,11,000	3.32
DMI Employment Contract 2021-22 - I	2,222			2,222	-	3.64
DMI Employment Contract 2021-22 - II	12,210				12,210	3.72
DMI ESOP Plan, Management - III	18,315				18,315	3.79
DMI Employment Contract 2021-22 - III	6,105				6,105	3.83
DMI Employment Contract 2021-22 - IV	7,326				7,326	3.92
DMI Employment Contract 2021-22 - V	3,663				3,663	3.93
DMI Finance ESOP Plan 2022 - I		5,18,651		17,287	5,01,364	4.00
DMI Finance ESOP Plan 2022 - II		2,497			2,497	4.25
Employment Contract - Aug'22 - II		1,670			1,670	4.37
Employment Contract - Aug'22 - III		1,670			1,670	4.40
Employment Contract - Jun'22		5,945			5,945	4.23
Employment Contract - Mar'23		29,154			29,154	4.92
Employment Contract - Nov'22		2,188			2,188	4.61
Employment Contract - Sep'22		2,188			2,188	4.50
Employment Contracts - Apr'22		1,784			1,784	4.08
Employment Contracts - Jul'22		30,000			30,000	4.25
Employment Contracts - May'22		30,000			30,000	4.09
Founder Circle Award 2022-23 (NBFC Feb'23)		1,00,48,700			1,00,48,700	5.84
Total	99,00,637	1,06,74,447	74,741	13,76,882	1,91,23,461	

March 31, 2022

II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	2,97,496	-	24,527	0.96
DMI Retention Plan, 2018	14,83,941	-	3,96,642	-	10,90,536	1
DMI ESOP Plan, Management Scheme	6,04,396	-	18,174	-	5,86,222	1.5
DMI ESOP Plan, Legacy Scheme	18,27,677	-	15,13,529	-	3,14,148	1
DMI ESOP PLAN 2019	6,88,660	-	41,761	-	6,46,899	2
DMI ESOP RETENTION PLAN 2019	14,00,000	-	-	-	14,00,000	2.96
DMI Employment Contract 2020	23,068	-	-	-	23,068	3.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000	-	-	-	5,80,000	3
DMI Finance ESOP Plan 2020	3,99,387	-	10,564	-	3,88,823	3
DMI Variable2019-20	11,355	-	1,490	-	9,865	3.76
DMI Finance Plan 2021	-	4,33,708	-	-	4,33,708	4.01
DMI Finance Plan 2021	-	2,00,000	-		2,00,000	4.01
Founder Circle Award 2020-21 (NBFC Apr'21)	-	4,30,000	-	-	4,30,000	4.01
Founder Circle Award 2020-21 (NBFC Jul'21)	-	37,23,000	-	-	37,23,000	4.33
DMI Employment Contract 2021-22 - I	-	2,222	-	-	2,222	4.64
DMI Employment Contract 2021-22 - II	-	12,210	-	-	12,210	4.73
DMI ESOP Plan, Management - III	-	18,315	-	-	18,315	4.8
DMI Employment Contract 2021-22 - III	-	6,105	-	-	6,105	4.83
DMI Employment Contract 2021-22 - IV	-	7,326	-	-	7,326	4.92
DMI Employment Contract 2021-22 - V	-	3,663	-	-	3,663	4.94
Total	73,40,507	48,36,549	22,79,656	-	99,00,637	

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III. Computation of fair value

For undertaking fair valuation of ESOP, the Holding Company is using Black-Scholes Model.

ESOP PLAN	Fair market value of shares (Rs.)	Volatility	Risk free rate	Dividend Yield	Exercise price (Rs.)	Option fair value
DMI ESOP PLAN 2019	95.49	30.00%	7.35%	-	95.49	38.86
DMI ESOP RETENTION PLAN 2019	101.87	30.00%	6.50%	-	100.00	40.75
DMI ESOP PLAN 2018	22.81	15.00%	6.00%	-	43.90	0.67
DMI Retention Plan, 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme	95.49	15.00%	7.50%	-	62.21	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Employment Contract 2020	113.34	30.00%	6.14%	-	113.34	43.35
DMI Retention Bonus (NBFC Apr'20)	116.36	30.00%	6.14%	-	116.36	44.51
DMI Finance ESOP Plan 2020	116.36	30.00%	6.14%	-	116.36	44.51
DMI Variable2019-20	113.34	30.00%	6.14%	-	113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.34	43.49
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.00	43.30
Founder Circle Award 2020-21 (NBFC Apr'21)	113.00	30.00%	6.14%	-	113.34	43.49
Founder Circle Award 2020-21 (NBFC Jul'21)	112.86	30.00%	6.14%	-	112.86	43.17
DMI Employment Contract 2021-22 - I	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - II	209.00	30.00%	6.60%	-	209.00	81.89
DMI ESOP Plan, Management - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - IV	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - V	209.00	30.00%	6.60%	-	209.00	81.89
DMI Finance ESOP Plan 2022 - I	212.81	29.82%	6.83%	-	212.81	84.13
DMI Finance ESOP Plan 2022 - II	212.81	29.82%	6.83%	-	212.81	84.13
Employment Contract - Aug'22 - II	217.77	29.91%	7.65%	-	217.77	89.83
Employment Contract - Aug'22 - III	217.77	29.91%	7.65%	-	217.77	89.83
Employment Contract - Jun'22	212.81	29.82%	6.83%	-	212.81	84.13
Employment Contract - Mar'23	225.11	29.91%	7.65%	-	225.11	92.86
Employment Contract - Nov'22	217.77	29.91%	7.65%	-	221.53	88.32
Employment Contract - Sep'22	217.77	29.91%	7.65%	-	221.53	88.32
Employment Contracts - Apr'22	212.81	29.82%	6.83%	-	212.81	84.13
Employment Contracts - Jul'22	217.77	29.91%	7.65%	-	217.77	89.83
Employment Contracts - May'22	212.81	29.82%	6.83%	-	212.81	84.13
Founder Circle Award 2022-23 (NBFC Feb'23)	225.11	29.91%	7.65%	-	225.11	103.28

The Holding Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Group. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Holding Company recognise share based compensation in the Statement of Profit and Loss with a corresponding credit to Share based payments outstanding reserve.

The Holding Company has entered into cost chargeback agreement with the granter and post this agreement the Holding Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Holding Company, to DMI Housing Finance Private Limited. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account viz Share Options Outstanding Account disclosed under notes.

During the Financial year 2018-19, as per the scheme options were granted to employees of the Granter. The Holding Company has recognised the expense of Rs. 0.07 Millions (previous year: Rs. 0.70 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 10.06 millions as on March 31,2023 (Rs. 9.99 Millions as on March 31, 2022).
The employees' compensation expense for Stock options during the year ended 31 March 2023 amounts to Rs. 133.41 millions (previous year Rs. 72.86 millions).

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42 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director (upto 14 November 2022)
Mr. Nipender Kochhar	Director
Mr. Krishan Gopal	Chief Financial Officer
Mr. Sahib Pahwa	Company Secretary
Mr. Alfred Mendoza	Nominee Director (w.e.f 14 November 2022)

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2VZ, Partnership Firm
DMI Alternative Investment Fund
Quickwork Technologies Private Limited

Entity with Significant influence
Ganesha Fixed Income Limited

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
DMI Housing Finance Private Limited	Cost share recovery	63.09	59.70
	Share based payment	12.45	0.70
	Reimbursement of expense paid by related party on behalf of entity	4.00	3.67
DMI Alternatives Private Limited	Cost share recovery	88.21	60.70
	Share based payment	0.85	0.13
	Reimbursement of expense incurred on behalf of related party	1.34	5.49
Ganesha Fixed Income Limited	Interest expenses	11.39	11.39

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Name of related party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Sahib Pahwa*	Interest income	-	0.03
	Remuneration	6.03	5.18
	Loan received back	-	0.51
Mrs. Bina Singh	Sitting fee	0.14	0.12
	Share Warrants Expense	-	0.77
Mr. Yuvraja Chanakya Singh	Remuneration	42.56	35.20
	Post employment benefits	0.36	0.36
Mr. Shivashish Chatterjee	Remuneration	41.40	26.31
	Post employment benefits	0.36	0.36
Mrs. Jayati Chatterjee	Sitting fees	0.24	0.22
	Share Warrants Expense	-	0.77
Mr. Gurcharan Das	Sitting fees	0.14	0.12
	Share Warrants Expense	-	0.77
Mr. Nipender Kochhar	Sitting fees	0.24	0.22
	Share Warrants Expense	-	0.77
Mr. Krishan Gopal*	Remuneration	10.69	9.35
Quickwork Technologies Private Limited	Other Expenses	5.81	1.08
Ms. Paromita Chatterjee	Consultancy Fee	1.19	0.70

*Remuneration does not include post employment benefits

(c) Outstanding balances with related parties:

Name of related party	Nature of balances	As at March 31, 2023	As at March 31, 2022
DMI Alternatives Private Limited	Employee Stock Option Plan recoverable	4.10	4.96
	Trade Receivable	26.98	-
DMI Housing Finance Private Limited	Employee Stock Option Plan payable	22.45	9.99
	Corporate Guarantee	3,878.97	4,329.99
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	134.00	134.00

(d) Disclosure pursuant to Schedule V of Clause A (2) of Regulation 53(f) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015:
There is no loan or advance given by the Company to either holding company or subsidiary companies.

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43 The date on which the Code on Social Security, 2020(the "Code") relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalized. The Group will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.

44 In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by the Holding Company exceeds the total Provision required under IRACP (including Standard Asset provisioning),as at March 31, 2023 and accordingly no amount is required to be transferred to impairment reserve

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45 Capital

The Holding Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Holding Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Holding Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Holding Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Holding Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Holding Company endeavours to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2023	As at March 31, 2022
CRAR - Tier I capital (%)	49.94%	57.46%
CRAR - Tier II capital (%)	0.93%	3.85%
CRAR (%)	50.87%	61.31%

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Holding Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

46 Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
Contingent liabilities not provided in respect of:		
i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	3,878.97	4,329.99
ii.Guarantees issued by bankers on behalf of Company	-	-
Claims against the Compsny not acknowledged as debt		
i. Income tax (note 2)	2.26	2.26

Notes :

1. The Holding Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 3,878.97 million as at March 31, 2023 (March 31,2022: Rs. 4,329.99 million)

2. During the previous year, the Holding Company has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of Rs.6.42 millions on account of disallowance of deduction under section 80G of the Income-tax Act, 1961. The Holding Company has appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of Rs. 2.26 million but the Holding Company has already paid the taxes more than by Rs. 2.31 million therefore, the Holding Company is not required to pay any additional demand. In presence of favourable case laws and judicial precedents wherein similar facts have been addressed, the Holding Company expects that the additional demand will be deleted by CIT (A). Hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Holding Company is less than probable.

b. Commitments

	As at March 31, 2023	As at March 31, 2022
Commitments for acquisition of property, plant and equipment (net of advances)	4.05	18.25
Commitments for intangible assets under development (net of advances)	2.90	-

c. Others

In case of un-disbursed loan facility, the Holding Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn commitment for the Group are amounting to Nil (previous year Rs. Nil).

d. The Group has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

e. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

47 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2021	18,551.69	1,181.19	242.29	19,975.17
Cash flows:				
- Repayment	-	(1,077.84)	(57.10)	(1,134.94)
- Proceeds	-	8,850.00	-	8,850.00
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	0.58	12.18	-	12.76
- Additions during the year	-	22.54	75.08	97.62
- Others	-	-	16.09	16.09
March 31, 2022	18,552.27	8,988.07	276.36	27,816.70
Cash flows:				
- Repayment	(3,219.16)	(16,686.20)	(70.67)	(19,976.03)
- Proceeds	1,500.00	31,517.19	-	33,017.19
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	4.80	70.28	-	75.08
- Additions during the year	-	-	10.27	10.27
- Others	-	-	26.33	26.33
March 31, 2023	16,837.91	23,889.34	242.29	40,969.54

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48 **Leases**

The Holding Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.
The Holding Company also has certain lease with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	234.95	210.71
Additions made during the year	10.27	75.08
Amortisation on right of use assets	48.87	50.84
Balance at the end of the year	196.35	234.95

The carrying amounts of leare liabilities and the movements during the period are as follows:

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	276.36	242.29
Additions made during the year	10.27	75.08
Interest accretion for the year	26.33	16.09
Payments made during the year	(70.67)	(57.10)
Balance at the end of the year	242.29	276.36

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2030-31.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2023	March 31, 2022
Depreciation expense in respect of right-of-use asset	48.87	50.84
Interest expense in respect of lease liabilities	26.33	16.09
Expense relating to short-term leases (included on other expenses)	10.69	4.58
Total amount recognised in profit or loss	85.89	71.51

The Company's total cash outflows for leases was Rs 70.67 Millions during the year (previous year Rs 57.10 Millions)

Maturity Analysis of Lease Liabilities

Particulars	March 31, 2023	March 31, 2022
Upto 1 month	4.27	2.65
Over 1month to 2 month	4.30	2.83
Over 2 months to 3 months	4.36	3.82
Over 3 months to 6 months	13.47	11.66
Over 6 months to 1 year	28.37	24.02
Over 1year to 3 years	71.63	80.24
Over 3 years and upto 5 years	79.71	72.20
Over 5 years	36.18	78.94
Total	242.29	276.36

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49 Tax expenses

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are :

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	1,523.02	676.15
Deferred tax credit	(397.92)	(457.54)
Income tax expense reported in the statement of profit or loss	**1,125.10**	**218.61**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Group is 25.17% (March31, 2022: 25.17%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	4,324.96	805.21
Income-tax rate	25.17%	25.17%
Expected tax expense	**1,088.51**	**202.65**
Expenditure on Corporate Social Responsibility disallowed u/s 37	4.09	4.38
Interest paid to Associated Enterprise disallowed u/s 94B	2.87	-
Reversal of DTA on Interest Paid to Associated Enterprise	31.39	-
Capital Expenditure disallowed u/s 37	0.63	2.08
Others	(2.39)	9.49
Tax expense	**1,125.10**	**218.60**

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50 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	5,699.76	-	**5,699.76**	6,829.64	-	**6,829.64**
Bank balance other than cash and cash equivalents	421.78	148.47	**570.25**	294.66	-	**294.66**
Trade receivables	312.09	-	**312.09**	61.03	-	**61.03**
Loans	46,054.51	21,289.96	**67,344.47**	30,117.80	16,683.35	**46,801.15**
Investments	4,249.70	3,887.10	**8,136.80**	7,256.57	3,033.00	**10,289.57**
Other financial assets	984.20	105.80	**1,090.00**	1,582.52	27.56	**1,610.08**
Non- financial assets						
Current tax assets (net)	198.76	-	**198.76**	296.13	-	**296.13**
Deferred tax assets (net)	-	1,219.49	**1,219.49**	-	880.14	**880.14**
Property, plant and equipment	-	143.00	**143.00**	-	104.64	**104.64**
Capital work in progress	-	-	**-**	-	23.27	**23.27**
Goodwill	-	253.53	**253.53**	-	253.53	**253.53**
Intangible assets under development	8.78	-	**8.78**	-	-	**-**
Right of use assets	52.61	143.74	**196.35**	50.30	184.65	**234.95**
Intangible assets	-	21.66	**21.66**	-	31.41	**31.41**
Other non- financial assets	240.72	9.04	**249.76**	204.91	-	**204.91**
Assets held for sale	75.00	-	**75.00**	143.88	-	**143.88**
	58,297.91	**27,221.79**	**85,519.70**	**46,837.44**	**21,221.55**	**68,058.99**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	8.97	-	**8.97**	94.79	-	**94.79**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,165.75	-	**1,165.75**	697.23	-	**697.23**
B) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	525.06	-	**525.06**	379.87	-	**379.87**
Debt securities	15,353.00	1,484.91	**16,837.91**	3,200.00	15,352.27	**18,552.27**
Borrowings (other than debt securities)	12,124.73	11,764.61	**23,889.34**	3,397.96	5,590.11	**8,988.07**
Lease liabilities	54.77	187.52	**242.29**	44.99	231.37	**276.36**
Other financial liabilities	226.08	57.90	**283.98**	162.87	-	**162.87**
Non financial liabilities						
Provisions	2.48	99.83	**102.31**	1.82	84.78	**86.60**
Other non-financial liabilities	257.08	4.71	**261.79**	103.51	-	**103.51**
Equity						
Equity share capital	-	6,567.75	**6,567.75**	-	6,567.00	**6,567.00**
Other equity	-	35,607.90	**35,607.90**	-	32,121.29	**32,121.29**
Non controlling interest		26.65	**26.65**	-	29.13	**29.13**
	29,717.92	**55,801.78**	**85,519.70**	**8,083.04**	**59,975.95**	**68,058.99**

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51 Risk management

Introduction and risk profile

The Holding Company is a private finance company in India and is regulated by the Reserve Bank Of India (RBI). In view of the intrinsic nature of operations, the Group is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management structure and policies

As a lending institution, Group is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Group's risk management processes is to measure and monitor the various risks that Group is subject to follow policies and procedures to address such risks. Group's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Group manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Group's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Group liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities

March 31, 2023	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,699.76	-	-	-	-	-	-	-	5,699.76
Bank balance other than Cash and cash equivalents	219.10	-	24.03	0.20	178.45	148.47	-	-	570.25
Trade receivables	270.80	41.29	-	-	-	-	-	-	312.09
Loans	5,903.44	7,440.46	7,554.25	16,298.35	16,694.40	22,812.66	4,959.68	2,170.97	83,834.22
Investments	510.25	206.20	1,106.57	1,774.12	1,393.11	3,139.62	1,063.70	1,313.27	10,506.84
Other financial assets	343.73	-	314.06	322.74	3.67	81.91	-	23.89	1,090.00
Financial liabilities									
Payables	336.22	663.34	337.03	39.55	323.64	-	-	-	1,699.78
Debt securities	-	298.41	566.45	329.90	15,450.30	1,762.90	-	-	18,407.96
Borrowings (other than debt securities)	3,238.70	669.00	1,553.20	2,790.70	5,484.73	12,071.40	826.40	-	26,634.13
Lease liabilities	6.29	6.29	6.31	19.10	38.58	102.01	95.52	41.65	315.75
Other financial liabilities	75.49	112.26	38.35	-	-	57.89	-	-	283.98

March 31, 2022	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,829.64	1,000.00	-	-	-	-	-	-	6,829.64
Bank balance other than Cash and cash equivalents	-	-	23.00	266.20	5.25	-	-	-	294.66
Trade receivables	61.03	-	-	-	-	-	-	-	61.03
Loans	6,740.85	4,372.93	4,640.01	9,885.18	10,992.12	19,405.33	3,795.16	1,119.45	60,951.03
Investments	6,350.66	21.77	1,498.67	141.89	235.50	1,769.29	1,255.73	3,118.03	14,391.55
Other financial assets	1,187.67	0.45	208.59	111.62	74.20	-	-	25.55	1,610.08
Financial liabilities									
Payables	474.14	229.76	20.45	33.06	306.55	70.37	-	-	1,171.89
Debt securities	-	282.12	143.34	390.82	3,832.44	16,445.46	-	-	21,094.18
Borrowings (other than debt securities)	188.82	138.73	489.51	972.76	1,897.40	4,958.11	1,194.70	-	9,840.03
Lease liabilities	4.96	5.11	6.08	18.24	36.29	117.96	95.76	90.34	374.74
Other financial liabilities	6.44	117.82	38.61	-	-	-	-	-	162.87

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Group. The Group's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the Group's senior management to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Group's overall business strategy and the same is reviewed every quarter by the senior management.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

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Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Group:

March 31, 2023	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	5,699.76	-	-	-	-	-	-	5,699.76
Bank balance other than cash and cash equivalents	570.25	-	-	-	-	-	-	570.25
Loans - Corporate (contractual amount of loans)	49.85	-	8,303.82	-	459.17	631.29	13.14	9,457.27
Loans - Consumer loans (contractual amount of loans)	-	-	-	579.75	-	57,307.45	-	57,887.20
Trade receivables	-	-	-	-	-	312.09	-	312.09
Investments	693.23	-	618.03	-	3,225.26	-	3,600.28	8,136.80
Other financial assets	-	-	-	-	-	1,063.76	26.24	1,090.00
Total	7,013.09	-	8,921.85	579.75	3,684.43	59,314.60	3,639.66	83,153.37

March 31, 2022	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	6,829.64	-	-	-	-	-	-	6,829.64
Bank balance other than Cash and cash equivalents	294.66	-	-	-	-	-	-	294.66
Loans - Corporate (contractual amount of loans)	-	-	11,197.09	-	1,665.93	613.91	-	13,476.94
Loans - Consumer loans (contractual amount of loans)	-	-	-	525.07	-	32,799.14	-	33,324.21
Trade receivables	-	-	-	-	-	61.03	-	61.03
Investments	6,450.05	-	721.35	-	2,978.40	-	139.77	10,289.57
Other financial assets	-	-	-	-	-	1,584.53	25.55	1,610.08
Total	13,574.35	-	11,918.44	525.07	4,644.33	35,058.61	165.32	65,886.13

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2023	As at March 31, 2022	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	4,084.59	9,597.79	Equity price
Credit substitutes and pass through certificate	5,169.38	2,204.96	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	16,837.91	18,552.27	Interest rate
Borrowings (other than debt securities)	23,889.34	8,988.07	Interest rate

(i) Interest rate risk:-

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Group's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Group's net interest income, while a long term impact is on the Group's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Group is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Group. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

Interest rate risk exposure

	As at March 31, 2023	As at March 31, 2022
Variable Rate Borrowings	25,373.57	8,965.53
Fixed Rate Borrowings	15,353.68	18,574.81

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss:

Particulars	Effect on net profit	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Decrease in 50 basis points	71.54	25.13
Increase in 50 basis points	(71.54)	(25.13)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Group's FVOCI equities at 31 March 2023 would have increased equity by Rs. 330.83 millions (Previous year: Rs 272.01 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Group's FVTPL equities at 31 March 2023 would have increased profits by Rs. 22.70 millions (Previous year: Rs. 726.57 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

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52 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Group's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2023				31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	443.10	-	-	443.10	6,005.68	-	-	6,005.68
Security receipts of Alchemist XV Trust	-	-	-	-	-	-	194.11	194.11
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	-	-	-	-	631.43	631.43
Optionally convertible debentures of Azad Engineering Private Limited	-	-	-	-	-	-	434.44	434.44
Equity shares in Azad Engineering Private Limited			227.04	227.04	-	-	-	-
Investment in pass through certificate			3,515.31	3,515.31				
Total financial investment measured at FVTPL	**443.10**	-	**3,742.35**	**4,185.45**	**6,005.68**	-	**1,259.98**	**7,265.66**
Financial investments measured at FVOCI								
Credit Substitutes	-	-	537.43	537.43	-	-	514.24	514.24
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	1,560.00	1,560.00	-	-	1,148.13	1,148.13
Compulsory convertible debentures of Biorad Medisys Private Limited	-	-	600.27	600.27	-	-	-	-
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	-	34.50	34.50
Loans								
Non-convertible debentures - unquoted	-	-	137.80	137.80	-	-	367.90	367.90
Units of DMI AIF Special Opportunities Scheme	-	-	9.73	9.73	-	-	10.10	10.10
Equity Instruments								
DMI Consumer Credit Private Limited	-	-	3.48	3.48	-	-	3.37	3.37
Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	-	215.76	215.76
Flash Electronics Private Limited	-	-	818.97	818.97	-	-	793.97	793.97
Radiant Polymers Private Limited	-	-	100.10	100.10				
Total financial investments measured at FVOCI	-	-	**4,018.04**	**4,018.04**	-	-	**3,087.97**	**3,087.97**
Total financial assets measured at fair value	**443.10**	-	**7,760.39**	**8,203.49**	**6,005.68**	-	**4,347.95**	**10,353.63**

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Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds are valued at NAV of respective investment and are classified as Level 1.

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on net worth of investee company or valuation report issued by independent Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

- Area delivered in past across segments
- Financial strength (of the entity and group)
- Debt track record (debt repaid in past, current & past delinquency)
- Stages of various projects of developer
- Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2023 and March 31, 2022

Movements in Level 3 financial instruments measured at fair value

	Equity Shares	Units of DMI AIF Special Opportunities Scheme	Security receipts of Alchemist XV Trust	Credit Substitutes*	NCD Unquoted*	Compulsorily Convertible Debentures*	Optionally Convertible Debentures*	Compulsorily convertible preference shares - Alchemist XV Trust	Pass Through Certificate	Total
At April 01, 2021	**533.87**	**11.01**	**194.11**	**497.68**	**142.83**	**826.47**	**-**	**34.50**	**-**	**2,240.47**
Purchase	-	-	-	100.00	230.60	180.00	420.00	-	-	930.60
Change in classification	-	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	-	-	103.41	48.72	-	-	152.13
Sales / settlements	-	(1.07)	-	(83.44)	(5.52)	(107.65)	(34.28)	-	-	(231.96)
Transfers into Level 3	-	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	0.17	-	-	-	441.32	-	-	-	441.49
Gains / loss for the period recognized in the other comprehensive income	479.23	-	-	-	-	336.01	-	-	-	815.24
At March 31, 2022	**1,013.10**	**10.10**	**194.11**	**514.24**	**367.91**	**1,779.56**	**434.44**	**34.50**	**-**	**4,347.96**
Purchase	1,112.15	-	-	-	-	600.00	-	-	3906.86	5,619.01
Change in classification	-	-	-	-	-	-	-	-	-	-
Income Accrued				55.87	21.50	99.15	22.5	-	91.97	290.99
Sales / settlements	(376.20)	-	(194.11)	(22.54)	(257.16)	(746.71)	(581.32)	-	(483.52)	(2,661.56)
Transfers into Level 3	-	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	(199.11)	-	-	-	5.55	5.46	124.38	-	-	(63.72)
Gains / loss for the period recognized in the other comprehensive income	(184.59)	(0.37)	-	(10.14)	-	422.81	-	-	-	227.71
At March 31, 2023	**1,365.35**	**9.73**	**-**	**537.43**	**137.80**	**2,160.27**	**-**	**34.50**	**3,515.31**	**7,760.39**

*Total Gains/Loss for the period recognized in the Statement of Profit and Loss consists of income other than fair value change

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's level 3 assets and liabilities.

March 31, 2023	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Consumer Credit Private Limited	3.48	Net Worth of Investee Company	Instrument price
Compulsory convertible debentures of Biorad Medisys Private Limited	600.27	Discounted Projected Cash Flows	Instrument price
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	34.50	Discounted Projected Cash Flows	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	537.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	818.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures of Flash Electronics	1,560.00	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	137.80	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Azad Engineering Private Limited	227.04	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Radiant Polymers Private Limited	100.10	Discounted Projected Cash Flows	Discount margin / spread
Units of DMI AIF Special Opportunities Scheme	9.73	Assets under management of units of respective class of Investee Fund	Instrument price
Investment in pass through certificate	3,515.31	Net Asset Value of Investee Company	Instrument price
Total	7,760.39		

March 31, 2022	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Consumer Credit Private Limited	3.37	Net Worth of Investee Company	Instrument price
Compulsorily convertible debentures of Azad Engineering Private Limited	631.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Security receipts of Alchemist XV Trust	194.11	Net asset value	Instrument price
Optionally convertible debentures of Azad Engineering Private Limited	434.44	Discounted Projected Cash Flows	Discount margin / spread
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	34.50	Discounted Projected Cash Flows	Instrument price
Units of DMI AIF Special Opportunities Scheme	10.10	Assets under management of units of respective class of Investee Fund	Instrument price
Credit Substitutes	514.24	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	793.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	1,148.13	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	367.90	Discounted Projected Cash Flows	Discount margin / spread
Total	4,347.95		

Quantitative analysis of significant unobservable inputs

Instrument price

Given the nature of this approach, there is no range of prices used as inputs.

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2023		March 31, 2022	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	63.14	(63.14)
Equity shares of Azad Engineering Private Limited	22.70	(22.70)	-	-
Investment in pass through certificate	351.53	(351.53)	-	-
Total (A)	**374.23**	**(374.23)**	**63.14**	**(63.14)**
Instruments measured through FVTOCI				
Equity shares in DMI Consumer Credit Private Limited	0.35	(0.35)	0.34	(0.34)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.58	(21.58)	21.58	(21.58)
Credit Substitutes	53.74	(53.74)	51.42	(51.42)
Non-convertible debentures - unquoted	13.78	(13.78)	36.79	(36.79)
Compulsory convertible debentures of Biorad Medisys Private Limited	60.03	(60.03)	-	-
Equity shares in Flash Electronics Private Limited	81.90	(81.90)	79.40	(79.40)
Compulsory convertible debentures of Flash Electronics Private Limited	156.00	(156.00)	114.81	(114.81)
Equity shares in Radiant Polymers	10.01	(10.01)	-	-
Units of DMI AIF Special Opportunities Scheme	0.97	(0.97)	1.01	(1.01)
Total (B)	**398.36**	**(398.36)**	**305.35**	**(305.35)**
Total (A+B)	**772.60**	**(772.60)**	**368.49**	**(368.49)**

The above analysis has been made without considering the impact of tax.

Fair value of financial instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	March 31, 2023		March 31, 2022	
Financial assets:	Fair value	Carrying value	Fair value	Carrying value
Loans and advances				
Corporate loans	9,335.85	9,335.85	13,120.52	13,120.52
Investments – at amortised cost				
Credit Substitutes	447.94	447.94	758.25	758.25
Financial liabilities:				
Debt securities	16,837.91	16,837.91	18,553.00	18,553.00

The carrying value of the financial instruments is near to the fair value, accordingly, the same has been considered for the disclosure above.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Borrowings - At Amortised cost
These includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Investments - At amortised cost
These includes Credit substitutes & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and liabilities other than above
The carrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

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53 (a) Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.

53 (b) There are no event observed after the reported period which have an impact on the Group's operations.

53 (c) The financial statements were approved for issue by Board of Directors on May 22 , 2023.

53 (d) Disclosure on significant ratios:

Particulars	Description	As at March 31, 2023	As at March 31, 2022
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities)]/Total equity	0.97	0.71
Net profit margin	Net profit after tax / total revenue from operations	19.47%	6.34%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	47.62%	40.47%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	3.60%	2.18%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	1.50%	0.31%
Asset cover ratio (no. of times)*	Amount of secured assets / Secured debt	1.28	1.79
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	59.31%	86.13%

*It is calculated for listed debt securities

54 **Other Statutory Information**

1 During the current financial year, the Group has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

2 No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2022.

3 There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961.

4 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5 The Group has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

6 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

7 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

9 There are no transactions of undisclosed income not recorded in the books of accounts.

10 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

11 The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

12 The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

13 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

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55 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity in the Group	Net assets .i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DMI Finance Private Limited	98.55%	42,061.17	102.5%	3,240.16	100.26%	174.54	102.38%	3,414.70
Subsidiaries								
DMI Capital Private Limited	0.91%	387.33	0.6%	17.94	-0.30%	-0.52	0.52%	17.42
DMI Management Services Private Limited	0.05%	20.85	0.0%	-0.33	0.00%	-	-0.01%	-0.33
Appnit Technologies Private Limited	0.50%	211.32	-1.3%	-41.72	0.04%	0.07	-1.25%	-41.65
Associate (Investment as per equity method)								
DMI Alternatives Private Limited	0.00%	-	-1.7%	-54.67	0.00%	-	-1.64%	-54.67
Total	100.00%	42,680.67	100.0%	3,161.38	100.00%	174.09	100.00%	3,335.47
Adjustments arising out of consolidation		(505.02)		(16.19)		0.00		(16.19)
Total		42,175.65		3,145.19		174.09		3,319.28

56 Segment information

The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Group level. The operations of the Group fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Group operates in a single geographical segment, i.e., domestic.

57 Events occurring after reporting date

There are no significant events after the reporting period which require any adjustment or disclosure in the financial statements.

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: GURUGRAM
Date: 22 MAY 2023

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: 22 MAY, 2023

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: 22 MAY, 2023

Krishan Gopal
(Chief Financial Officer)

Place: NEW DELHI
Date: 22 MAY, 2023

Sahil Pahwa
(Company Secretary)
M. No. A24789

Place: NEW DELHI
Date: 22 MAY, 2023

DMI FINANCE PVT. LTD. NEW DELHI

S.N. Dhawan & CO LLP
Chartered Accountants

108 Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi 110001, India

Tel: +91 11 4368 4444

INDEPENDENT AUDITOR'S REPORT

To the Members of
DMI FINANCE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements:

Key Audit matters	How our audit addressed the key audit matters
(a) Impairment of financial assets as at balance sheet date (expected credit losses)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; Estimation of behavioral life; Determining macro-economic factors impacting credit quality of receivables; Estimation of losses for loan products with no/ minimal historical defaults	Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. Tested assumptions used by the Management in determining the overlay. Assessed disclosures included in the standalone financial statements in respect of expected credit losses
(b) IT and system controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we

Key Audit matters	How our audit addressed the key audit matters
effectively to ensure reliable financial reporting	tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read information included in Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors Responsibilities relating to other information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

S. N. DHARMADHIKARI & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company as at and for the year ended March 31, 2021 included in the standalone financial statements have been audited by the predecessor auditor, who have expressed unmodified opinion vide their report dated June 21, 2021.

Our opinion on the standalone financial statements is not modified in respect of above matter on the comparative financial information

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

S.R. BATLIBOI & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 44 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv.

(a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to account, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer note 59 to the financial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer note 59 to the financial statements.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

S. N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS * GURUGRAM

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AJHIGH2925

Place: New Delhi
Date: 20 May,2022

Annexure A to the Independent Auditor's Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **DMI FINANCE PRIVATE LIMITED** on the standalone financial statements as of and for the year ended 31 March 2022)

(i) In respect of property, plant and equipment and intangible assets

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant detail of Right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its Property, Plant and Equipment and Right of use assets, under which Property, Plant and Equipment and Right of use assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment and Right of use assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

(ii) (a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 50 million, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company.

(iii)

(a) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable

S. N. DIWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Refer notes 7.1 and 49 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. Having regard to the nature of the Company's business and voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount due, due date for repayment or receipt and the extent of delay.

Summary of loan assets categorized as credit impaired (stage 3) and loan assets categorized as those where credit risk has increased significantly since initial recognition (stage 2) as at the balance sheet date is as under:

Category of loan	Stage 2 (Million Rs.)	Stage 3 (Million Rs.)
Consumer loans	931.47	69.45
Corporate loans	192.95	774.83

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 7.1 to the standalone financial statements in accordance with Indian Accounting Standards (Ind AS), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than 90 days as at 31 March 2022 is Rs. 844.28 million. In our opinion and according to the information and explanation made given to us, reasonable steps are been taken by the Company for recovery of overdue amount of principal and interest.

(e) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) According to the information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances either repayable in demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made, guarantees issued, and security provided.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and there are no amounts which are deemed to be deposits during the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Further the Company had no unclaimed deposits at the beginning of the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act,

GURUGRAM

in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

The operations of the Company during the year do not give rise to the liabilities of sales-tax, service tax, duty of customs, duty of excise and value added tax.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following case:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Amount paid under Protest (Rs. Millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	2.26	Nil	Assessment year 2017-18	Commissioner of Income Tax-Appeal [CIT(A)]	Demand raised by IT Department as per Assessment Order dated 12.04.2021

(viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily invested in liquid funds, pending utilisation.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes during the year, by the Company.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the

GURUGRAM

Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as applicable.

(f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

(x)

(a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) The Company has made private placement of equity shares during the year. For such allotment of shares, the Company has complied with the requirement of Section 42 and Section 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending allocation. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi)

(a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud amounting to Rs. 895.00 million comprising of 113 instances noticed and reported by the management in terms of the regulatory provisions applicable to the Company, as mentioned note 54 (v) of standalone financial statements.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports issued to the Company till date, and covering the period under audit.

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

(xvi)

(a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and the Company has obtained the registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.

(d) The Group has no CIC which are part of the Group. Accordingly, the provisions of clause 3(xvi) (d) of the order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been change in statutory auditors of the Company pursuant to RBI Guidelines for appointment of auditors for NBFCs issued on April 27, 2021. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the outgoing statutory auditors of the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

(a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment has been included in respect of said clause under this report.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AJHIGH2925

Place: New Delhi
Date: 20 May,2022

Annexure B

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of DMI FINANCE PRIVATE LIMITED ("the Company") as at 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of

S.N. GANWANI & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

S. N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AJHIGH2925

Place: New Delhi
Date: 20 May,2022

DMI Finance Private Limited
Standalone Balance Sheet as at March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,533.27	2,476.26
Bank balance other than cash and cash equivalents	5	294.45	267.21
Trade receivables	6	57.07	54.64
Loans	7	46,801.15	31,097.73
Investments	8	10,688.86	18,488.52
Other financial assets	9	1,608.08	2,035.85
Total financial assets		65,982.88	54,420.21
Non-financial assets			
Current tax assets	10	284.71	214.39
Deferred tax assets (net)	11	803.53	573.29
Property, plant and equipment	12	104.18	116.15
Capital work in progress	13	23.27	-
Right of use assets	14	234.95	210.71
Other intangible assets	15	31.41	22.80
Other non- financial assets	16	103.56	94.66
Total non-financial assets		1,585.61	1,232.00
Assets held for sale	17	143.88	189.85
TOTAL ASSETS		67,712.37	55,842.06
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
A) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		94.79	110.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		659.67	411.61
B) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		379.87	228.80
Debt securities	19	18,552.27	18,551.69
Borrowings (other than debt securities)	20	8,965.53	1,181.19
Lease liabilities	21	276.36	242.29
Other financial liabilities	22	162.87	157.10
Total financial liabilities		29,091.36	20,883.43
Non financial liabilities			
Provisions	23	77.25	56.73
Other non-financial liabilities	24	62.89	48.00
Total non-financial liabilities		140.14	104.73
EQUITY			
Equity share capital	25	6,567.00	6,436.58
Other equity	26	31,913.87	28,417.32
TOTAL LIABILITIES AND EQUITY		67,712.37	55,842.06

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN, U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN 02623460

Place:
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN 02601179

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

Satish Panwar
(Company Secretary)
M. No. A24789

Place
Date: 20 May 2022

DMI Finance Private Limited
Standalone Statement of profit and loss for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	27	7,837.11	6,910.64
Fees and commission income	28	118.86	38.79
Net gain on fair value changes	29	1,005.79	591.04
Total revenue from operations		**8,961.76**	**7,540.47**
Other income	30	144.51	104.04
Total income		**9,106.27**	**7,644.51**
Expenses			
Finance costs	31	1,916.53	1,891.68
Fees and commission expense	32	671.05	903.63
Impairment on financial instruments	33	3,411.93	2,848.74
Employee benefits expense	34	839.86	698.99
Depreciation, amortization and impairment	35	98.68	79.07
Other expenses	36	1,386.69	910.38
Total expenses		**8,324.74**	**7,332.49**
Profit before tax		**781.53**	**312.02**
Tax expense/ (credit):			
(1) Current tax	47	645.05	344.13
(2) Deferred tax	47	(441.32)	(255.19)
Income tax expense		**203.73**	**88.94**
Net profit for the year		**577.80**	**223.08**
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		0.52	2.44
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		837.53	-
Income tax relating to above		(210.94)	(0.61)
Subtotal (a)		627.11	1.83
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value changes		0.57	4.21
Income tax relating to above item		(0.14)	(1.06)
Subtotal (b)		0.43	3.15
Other comprehensive income		**627.54**	**4.98**
Total comprehensive income for the year		**1,205.34**	**228.06**
Earnings per equity share (face value of Rs. 10 per share)	37		
Basic (Rs.)		0.82	0.35
Diluted (Rs.)		0.81	0.32

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place:
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

Sahil Rahwa
(Company Secretary)
M.No. A24789

Place:
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Statement of Standalone Cash Flows for the Year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	781.53	312.02
Adjustments for		
Depreciation and amortisation	98.68	79.07
Net gain on fair value changes	(1,005.79)	(591.04)
Impairment on financial instruments	3,603.77	2,648.74
Interest expense for leasing arrangements	16.09	31.02
Effective interest rate adjustment for financial instruments	12.76	15.81
Asset held for sale written off	45.97	-
Employee stock option/share warrant expense	79.01	75.78
Operating profit before working capital changes	**3,632.02**	**2,771.40**
Changes in working capital		
(Increase) in financial and other assets	(17,963.79)	(2,005.28)
Increase in financial and other liabilities	388.95	220.14
Decrease in non financial assets	(15.03)	6.65
Increase in non financial liabilities	35.92	141.76
Total of changes in working capital	**(17,553.95)**	**(1,636.73)**
Direct taxes paid (net of refunds)	(715.38)	(404.00)
Net cash flow generated from / (used in) operating activities (A)	**(14,637.31)**	**730.67**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(61.62)	(30.64)
Purchase of investment (net)	8,725.49	(2,993.38)
Movement of fixed deposits (net)	(27.24)	(252.01)
Net cash flow from / (used in) investing activities (B)	**8,636.63**	**(3,276.01)**
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	2,342.62	9,701.22
Proceeds from debt securities	-	500.00
Proceeds from bank borrowings	8,850.00	700.00
Repayment of debt securities	-	(4,750.00)
Repayment of bank borrowings	(1,077.84)	(2,355.33)
Lease payments	(57.10)	(55.18)
Net cash flow generated from financing activities (C)	**10,057.68**	**3,830.71**
Net increase in cash and cash equivalents (A+B+C)	**4,057.00**	**1,285.37**
Cash and cash equivalents as at the beginning of the year	2,476.26	1,190.89
Cash and cash equivalents at the end of the year	**6,533.26**	**2,476.26**

Notes:

1) **Components of cash and cash equivalents**	**As at March 31, 2022**	**As at March 31, 2021**
Cash on hand	0.05	0.08
Balance with banks		
In current accounts	4,182.81	2,106.38
In cash credit	1,350.41	369.80
deposits with original maturity of less than 3 months	1,000.00	-
Total cash and cash equivalents	**6,533.27**	**2,476.26**

2) Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 45

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

Place:
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601170

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

Sahil Khanna
(Company Secretary)
M No. 44789

Place:
Date: 20 May 2022

DMI Finance Private Limited
Statement of Changes in Equity for the year ended March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

A. Equity share capital (refer note 25)

	Number	INR Millions
For the year ended 31 March 2022		
Equity shares of INR 1 each issued, subscribed and fully paid		
At 1 April 2021	69,93,50,933	6,436.58
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2021	69,93,50,933	6,436.58
Issue of share capital (Note 15	1,30,42,468	130.42
At 31 March 2022	71,23,93,401	6,567.00

	Number	INR Millions
For the year ended 31 March 2021		
Equity shares of INR 1 each issued, subscribed and fully paid		
At 1 April 2020	61,62,94,566	5,592.94
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2020	61,62,94,566	5,592.94
Issue of share capital	8,30,56,367	843.64
At 31 March 2021	69,93,50,933	6,436.58

Particulars	Reserves and Surplus							Other Comprehensive Income				
	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital reemption reserve	Upfront monies received on Share warrants	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Gain/(loss) on Fair Value changes (Debt and Equity)	Realised Gain on investments	Total other comprehensive income	Total other equity
Balance as on April 1, 2020	932.84	14,547.77	66.58	-	81.21	-	3,509.84	(1.05)	30.12	-	29.07	19,167.31
Profit for the year	-	-	-	-	-	-	223.08	-	-	-	-	223.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-	1.83	3.15	-	4.98	4.98
Share options exercised during the year	-	-	74.37	-	-	-	-	-	-	-	-	74.37
Premium on issue of equity shares	-	8,947.58	-	-	-	-	-	-	-	-	-	8,947.58
Transfer to statutory reserve	44.62	-	-	-	-	-	(44.62)	-	-	-	-	-
Balance as on March 31, 2021	977.46	23,495.35	140.95	-	81.21	-	3,688.30	0.78	33.27	-	34.05	28,417.32
Profit for the year	-	-	-	-	-	-	577.80	-	-	-	-	577.80
Other Comprehensive Income for the year	-	-	-	-	-	-	-	0.39	610.18	16.97	627.54	627.54
Transfer to special reserve	115.56	-	-	-	-	-	(115.56)	-	-	-	-	-
Share options exercised during the year	-	-	46.07	-	-	-	-	-	-	-	-	46.07
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	0.50	-	-	-	-	-	0.50
Transfer to Share Warrant reserve	-	-	-	32.44	-	-	-	-	-	-	-	32.44
Premium on issue of equity shares	-	2,212.20	-	-	-	-	-	-	-	-	-	2,212.20
Balance as on March 31, 2022	1,093.02	25,707.55	187.02	32.44	81.21	0.50	4,150.54	1.17	643.45	16.97	661.59	31,913.87

See accompanying notes forming part of the standalone financial statement

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

S. N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

Place
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(JL Managing Director)
DIN: 02623460

Place
Date: 20 May 2022

Yuvraj Chanakya Singh
(JL Managing Director)
DIN: 02601179

Place
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

Rishit Pahwa
(Company Secretary)
Mem. No. A24785

Place
Date: 20 May 2022

DMI Finance Private Limited

Notes to the standalone financial statements for the year ended March 31, 2022

1 **Corporate Information**

DMI Finance Private Limited is a Private Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification Number is (CIN) U65929DL2008PTC182749 on September 02, 2008.

The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on January 05, 2009 vide registration No. RBI N-14.03176.

The registered office of the Company is located at Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg New Delhi.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 May, 2022.

2 **Basis of preparation of Financial Statements**

a) **Statement of compliance**

The financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS' or 'the Accounting Standards') notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All amount disclosed in the financial statements and notes have been rounded off to the nearest Rupees millions as per the requirements of Schedule III, unless otherwise stated.

b) **Basis of preparation and presentation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules , 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company and deposit taking company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP').The financial statements are presented in Indian Rupees (INR) and all values are rounded to the millions, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

c) **Basis of measurement**

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

d) **Presentation of financial statements**

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

3.1 **Summary of significant accounting policies**

a) **Use of estimates,Judgements and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of Current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

i. **Business Model Assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

ii. Impairment of financial assets

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 7.1 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at Mach 31, 2022.

iii. Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

iv. Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Effective Interest Rate ('EIR') method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

vi. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

c) Revenue recognition

I. Interest income

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

The EIR (and therefore, the amortised cost of the assets) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extant recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income.

ii. Income other than interest

Revenue (other than for those items to which Ind AS 109 Financial instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

A. Fee and commission income

All other financial charges such as cheque return charges, legal charges, collection charges etc are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

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B. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate,the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

C. Other Income

Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date. The company also recognises gain on fair value change of mutual fund measured at FVTPL. All Other Income is recognized on accrual basis of accounting principle.

D. Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) Intangible Assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f) Depreciation and amortization

Depreciation

Depreciation on property, plant and equipment's is calculated on written down value (WDV) basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particulars	Useful Life (years)
Furniture and Fixtures	10
Vehicle	8
Computer, printers	3-6
Office Equipment	5

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.
Salvage Value of the assets has been taken five percent of Original Cost (except intangible assets) as prescribed in Schedule II.
Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

Amortization

The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

g) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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h) Leases

i. Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

ii. Measurement and recognition:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term Lease:
The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

iii. Company as a lessor:
As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

i) Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Contingent liabilities and assets

i. Contingent liabilities
The Company does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

ii. Contingent assets
Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

k) Employee benefits

i. Defined contribution plan
The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined benefit plan
The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.
Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

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iii. **Compensated absences**
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

l) **Foreign currencies**

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

m) **Taxes**

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n) **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. **Financial Assets**

A. **Initial recognition and measurement**

The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Company measures bank balances, loans and advances, trade receivables and other financial instruments at amortised cost.

B. **Classification and subsequent measurement**

The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement , financial assets are classified in three categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)

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C. Debt instruments at amortised costs

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

D. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

E. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

F. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

II. Equity Investments and Mutual funds

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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iii. Financial Liabilities

A. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Company's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

B. Loans, Debenture and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

C. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

D. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

E. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

G. Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

H. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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I. Impairment of financial assets

i. Overview of the impairment principles ('ECL')

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12 month period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I
These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II
Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III
All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

ii. The calculation of ECLs

The mechanics of the ECL calculation involve the use of following key elements:
Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Company.
Exposure at default (EAD) – It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAS by the Company. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.
Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Company uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

iii. Definition of Default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.
Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.
It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

iv. Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded gin the methodology to reflect such macro-economic trends reasonably.

v. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

vi.Collateral repossessed

The Company's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is less at repossession date.

p) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

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r) Interest in Subsidiaries and associate entities

Investment in subsidiaries and associate entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down value immediately to its recoverable amount. On disposal of investment in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

s) Borrowing Cost

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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Notes to the standalone financial statements for the year ended March 31, 2022
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4 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.05	0.08
Balance with banks		
- balance in cash credit and overdraft accounts	1,350.41	369.80
- balance in current accounts	4,182.81	2,106.38
- deposits with original maturity of less than 3 months	1,000.00	-
	6,533.27	**2,476.26**

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months*	294.45	267.21
	294.45	**267.21**

* Deposits being lien marked against corporate credit cards and overdraft accounts.

6 Trade receivables

Unsecured considered good	57.07	54.64
	57.07	**54.64**
Less: Impairment loss allowance	-	-
Total	**57.07**	**54.64**

Trade receivables from related parties (see note 40)

Trade receivables Ageing Schedule

As at 31 March 2022

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	57.07	-	-	-	-	57.07
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Note: The ageing of trade receivables has been determined from the transaction date	-	-	-	-	-	-
	57.07	-	-	-	-	**57.07**

As at 31 March 2021

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	54.64	-	-	-	-	54.64
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	54.64	-	-	-	-	**54.64**

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7 Loans

	As at March 31, 2022			As at March 31, 2021		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans*	15,680.69	367.90	**16,048.60**	13,723.71	142.83	**13,866.54**
Consumer loans	33,856.86	-	**33,856.86**	19,253.66	-	**19,253.66**
Total (A) Gross	**49,537.55**	**367.90**	**49,905.46**	**32,977.37**	**142.83**	**33,120.20**
Less: Impairment loss allowance	3,092.83	11.48	**3,104.31**	2,017.87	4.60	**2,022.47**
Total (A) Net	**46,444.73**	**356.42**	**46,801.15**	**30,959.50**	**138.23**	**31,097.73**

* Corporate loan portfolio includes loan outstanding from employees of Rs. 1.72 millions (previous year: Rs. 12.14 millions)

(B)						
Secured by tangible assets and intangible assets	15,680.69	367.90	16,048.60	13,723.71	142.83	13,866.54
Unsecured	33,856.86	-	33,856.86	19,253.66	-	19,253.66
Total (B) Gross	**49,537.55**	**367.90**	**49,905.46**	**32,977.37**	**142.83**	**33,120.20**
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (B) Net	**46,444.73**	**356.42**	**46,801.15**	**30,959.50**	**138.23**	**31,097.73**

(C) Sector						
Public sector	-	-	-	-	-	-
Others	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Total (C) Gross	**49,537.55**	**367.90**	**49,905.46**	**32,977.37**	**142.83**	**33,120.20**
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (C) Net	**46,444.73**	**356.42**	**46,801.15**	**30,959.50**	**138.23**	**31,097.73**

(D)						
In India	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Outside India	-	-	-	-	-	-
Total (D) Gross	**49,537.55**	**367.90**	**49,905.46**	**32,977.37**	**142.83**	**33,120.20**
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (D) Net	**46,444.73**	**356.42**	**46,801.15**	**30,959.50**	**138.23**	**31,097.73**

Notes:

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) The Company has granted certain loans to employees amounting to Rs. Nil in current year (previous year: Rs. 12.14 millions)

iv) Corporate loan portfolio includes non-convertible debentures of Rs. 3,774.76 millions (previous year: Rs. 2,385.18 millions)

v) Disclosure in respect to loan given to Key management personnel (KMP)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Key management personnel (KMP)	-	0.48	-	0.00%

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7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	32,855.94	931.47	69.45	33,856.86	17,909.93	1,343.73	-	19,253.66
Less: Impairment loss allowance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.01
Net carrying amount	**32,571.74**	**702.71**	**-**	**33,274.45**	**17,827.46**	**1,022.19**	**-**	**18,849.65**

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	15,080.82	192.95	774.83	16,048.60	12,794.98	-	1,071.56	13,866.54
Less: Impairment loss allowance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.46
Net carrying amount	13,225.26	167.67	133.78	13,526.70	11,813.94	-	434.13	12,248.08

Summary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,057.64	-	351.99	4,409.62	2,265.67	280.64	351.99	2,898.29
Less: Impairment loss allowance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12
Net carrying amount	**2,864.31**	**-**	**32.13**	**2,896.44**	**1,923.40**	**278.07**	**101.70**	**2,303.17**

An analysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**17,909.93**	**1,343.73**	**-**	**19,253.66**	**20,656.64**	**1,193.85**	**290.78**	**22,141.27**
New Assets originated, Netted off for repayments and loans derecognised during the year	15,164.63	(574.39)	12.96	14,603.20	(2,114.24)	(483.70)	(289.67)	(2,887.61)
Transfers from Stage 1	(235.19)	193.76	41.43	-	(678.04)	678.04	-	-
Transfers from Stage 2	16.56	(31.62)	15.06	-	44.80	(44.80)	-	-
Transfers from Stage 3	-	-	-	-	0.77	0.34	(1.11)	-
Gross carrying amount closing balance	**32,855.94**	**931.47**	**69.45**	**33,856.86**	**17,909.93**	**1,343.73**	**-**	**19,253.66**

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	12,794.98	-	1,071.56	13,866.54	10,282.55	1,218.12	1,081.34	12,582.01
New Assets originated, Netted off for repayments and loans derecognised during the year	2,476.79	-	(296.73)	2,182.06	1,294.31		(9.78)	1,284.53
Transfers from Stage 1	(192.95)	192.95	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	1,218.12	(1,218.12)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**15,080.82**	**192.95**	**774.83**	**16,048.60**	**12,794.98**	**-**	**1,071.56**	**13,866.54**

An analysis of changes in the gross carrying amount of investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,265.67**	**280.64**	**351.99**	**2,898.29**	**2,187.67**	**-**	**339.00**	**2,526.67**
New Assets originated, Netted off for repayments and loans derecognised during the year	1,511.33	-	-	1,511.33	358.64		12.99	371.63
Transfers from Stage 1	-	-	-	-	(280.64)	280.64		-
Transfers from Stage 2	280.64	(280.64)	-	-	-			-
Transfers from Stage 3	-	-	-	-				-
Gross carrying amount closing balance	**4,057.64**	**-**	**351.99**	**4,409.62**	**2,265.67**	**280.64**	**351.99**	**2,898.29**

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	82.47	321.54	-	404.01	206.57	142.66	290.78	640.01
Change in ECL due to change in ECL model rate	10.86	47.00	52.69	110.55	(19.25)	102.71	-	83.46
New Assets originated, Netted off for repayments and loans derecognised during the year	279.75	(172.17)	1,372.30	1,479.88	(101.99)	(75.44)	1,511.09	1,333.66
Transfers from Stage 1	(89.01)	47.59	41.43	-	(3.07)	162.25	-	159.17
Transfers from Stage 2	0.14	(15.20)	15.06	-	0.20	(10.72)	-	(10.52)
Transfers from Stage 3	-	-	-	-	0.00	0.08	-	0.09
Write Offs	-	-	(1,412.03)	(1,412.03)	-	-	(1,801.87)	(1,801.87)
Gross carrying amount closing balance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.01

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	981.04	-	637.43	1,618.46	152.19	26.24	551.34	729.77
Change in ECL due to change in ECL model rate	543.93	-	30.44	574.37	395.60		88.29	483.89
New Assets originated, Netted off for repayments and loans derecognised during the year	355.88	-	(26.81)	329.07	407.01		(2.21)	404.80
Transfers from Stage 1	(25.29)	25.29	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	26.24	(26.24)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.46

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes and Compulsory Convertible Debentures (refer note 8) is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.95
Change in ECL due to change in ECL model rate	531.15	-	69.56	600.71	280.99		65.52	346.51
ECL on new assets originated, netted off for repayments and loans derecognised during the year	317.35	-	-	317.35	40.79	0.05	6.82	47.66
Transfers from Stage 1	-	-	-	-	(2.52)	2.52		-
Transfers from Stage 2	2.57	(2.57)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12

7.2 Collateral

In case of corporate term loans the Company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others

In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments.

Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2022	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A) Equity Instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	5.12	5.12
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Equity shares in Appnit Technologies Private Limited	-	-	-	-	463.03	463.03
Subtotal	-	-	-	-	470.10	470.10
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	3.37
Equity shares in McNally Bharat Engineering Company Limited	-	-	-	-	-	-
Equity shares in Flash Electronics Private Limited	-	-	793.97	793.97	-	793.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Subtotal	-	-	1,013.10	1,013.10	-	1,013.10
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	363.84	-	363.84	-	363.84
Compulsorily convertible preference shares in Appnit Technologies Private Limited	-	-	-	-	21.97	21.97
Subtotal	-	363.84	-	363.84	21.97	385.81
Mutual funds						
234,062.94 units of Baroda BNP Paribas Liquid Fund - Direct Growth	-	574.14	-	574.14	-	574.14
418,933.27 HDFC Liquid Fund - Direct Plan - Growth Option	-	1,753.13	-	1,753.13	-	1,753.13
468,743.91 SBI Liquid Fund Direct Growth	-	1,562.37	-	1,562.37	-	1,562.37
208,156.56 UTI Liquid Cash Plan - Direct Plan - Growth	-	726.06	-	726.06	-	726.06
1,879,040.68 ICICI Liquid Fund - DP Growth	-	592.38	-	592.38	-	592.38
212,254.65 Axis Liquid Fund - Direct Growth	-	501.79	-	501.79	-	501.79
Subtotal	-	5,709.86	-	5,709.86	-	5,709.86
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,148.13	1,148.13	-	1,148.13
1,777 Compulsory convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,000 each	-	631.43	-	631.43	-	631.43
4,200 Optionally convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,00 each	-	434.44	-	434.44	-	434.44
Subtotal	-	1,065.87	1,148.13	2,214.00	-	2,214.00
Credit Substitutes						-
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	69.50	-	23.76	93.26	-	93.26
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	626.00	-	-	626.00	-	626.00
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	822.30	-	311.41	1,133.71	-	1,133.71
Subtotal	1,690.72	-	514.24	2,204.96	-	2,204.96
Other Instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	10.10	-	10.10
Subtotal	-	194.11	10.10	204.21	-	204.21
Total (A) Gross	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (A) Net	542.46	7,271.89	2,382.44	10,196.79	492.07	10,688.86
(B) Investments outside India	-	-	-	-	-	-
Investments in India	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Total (B) Gross	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (B) Net	542.46	7,271.89	2,382.44	10,196.79	492.07	10,688.86

* At cost

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As at March 31, 2021	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A) Equity instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	4.99	4.99
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Subtotal	-	-	-	-	6.94	6.94
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.27	3.27	-	3.27
Equity shares in McNally Bharat Engineering Company Limited	-	25.12	-	25.12	-	25.12
Equity shares in Flash Electronics Private Limited	-	-	304.40	304.40	-	304.40
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	226.20	226.20	-	226.20
Subtotal	-	25.12	533.87	558.99	-	558.99
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	312.78	-	312.78	-	312.78
Subtotal	-	312.78	-	312.78	-	312.78
Mutual funds						
1,844,321 units in HDFC Liquid Fund - Direct Plan - Growth	-	7,461.24	-	7,461.24	-	7,461.24
1,893,629 units in SBI Liquid Fund Direct Growth		6,100.55	-	6,100.55	-	6,100.55
213,248 units in Baroda Pioneer Liquid Fund - Plan B Growth		505.24		505.24	-	505.24
1,666,137 units in ICICI Prudential Liquid Fund Direct Plan Growth		507.74	-	507.74	-	507.74
Subtotal	-	14,574.77	-	14,574.77	-	14,574.77
Debt instruments						
500 units of State Bank of India Series - II non-convertible debenture	527			526.75	-	526.75
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 fully paid up	-	-	826.47	826.47	-	826.47
Subtotal	526.75	-	826.47	1,353.22	-	1,353.22
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	209.85	-	71.73	281.58	-	281.58
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	596.12	-	-	596.12	-	596.12
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.08	352.00	-	352.00
705 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	566.44	-	244.80	811.24	-	811.24
211 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	28.81	-	2.07	30.88	-	30.88
Subtotal	1,574.14	-	497.68	2,071.82	-	2,071.82
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	11.01	11.01	-	11.01
Subtotal	-	194.11	11.01	205.12	-	205.12
Total (A) - Gross	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (A) Net	1,698.63	15,106.78	1,676.17	18,481.58	6.94	18,488.52
(B) Investments outside India	-	-	-	-	-	-
Investments in India	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Total (B) - Gross	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (B) - Net	1,698.63	15,106.78	1,676.17	18,481.58	6.94	18,488.52

* At cost

Notes:

(i) For movement of impairment loss allowance refer note 7.1

(ii) Information of subsidiaries and associates

Name of entity	Principal Activity	Place of incorporation	Principal place of business	As at March 31, 2022	As at March 31, 2021
Subsidiaries					
DMI Management Services Private Limited	Financial Service (Asset Management)	Delhi	Delhi	100.00%	100.00%
DMI Capital Private Limited	Financial Service (Merchant Banking)	Delhi	Delhi	100.00%	100.00%
Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)	Financial Services(Prepaid Instrument Issuer)	Lucknow, Uttar Pradesh	NOIDA, Uttar Pradesh	94.04%	NA
Associate					
DMI Alternatives Private Limited	Investment Manager	Delhi	Delhi	49.00%	49.00%

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9 Other financial assets (at amortized cost)

	As at March 31, 2022	As at March 31, 2021
Security deposit	25.55	21.17
First loss default guarantee recoverable	90.54	1,114.82
Ex-gratia interest benefit	-	99.47
Interest accrued on fixed deposits	13.74	-
Money with partners pending for disbursement	898.89	277.56
Unbilled revenue and recoverables	579.36	522.83
Total	**1,608.08**	**2,035.85**

10 Current tax assets

Advance income-tax (net)	284.71	214.39
Total	**284.71**	**214.39**

11 Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	455.81	82.80
Difference in income recognition on unrealized gain on mutual fund investments	18.31	69.48
Total deferred tax liabilities	**474.12**	**152.28**
Deferred tax asset		
Provision for employee benefits	19.45	14.28
Difference in written down value as per Companies Act and Income-tax Act	11.30	6.47
EIR adjustment for processing fee	77.29	30.81
Liability against leases	9.91	7.44
Impairment loss allowance	1,131.17	640.90
Carry forward of interest disallowed u/s 94B	28.53	25.67
Gross deferred tax asset	**1,277.65**	**725.57**
Net Deferred Tax (Liability)/ Asset	**803.53**	**573.29**

Movement of deferred tax assets	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2022
Liabilities				
Fair value of financial instruments	82.80	162.07	210.94	455.81
Difference in income recognition on unrealized gain on mutual fund investments	69.48	(51.17)	-	18.31
Deferred Tax Liabilities	**152.28**	**110.90**	**210.94**	**474.12**
Assets				
Provision for employee benefits	14.28	5.31	(0.14)	19.45
Difference in written down value as per Companies Act and Income-tax Act	6.47	4.83	-	11.30
EIR adjustment for processing fee	30.81	46.48	-	77.29
Liability against leases	7.44	2.47	-	9.91
Impairment loss allowance	640.90	490.27	-	1,131.17
Carry forward of interest disallowed u/s 94B	25.67	2.86	-	28.53
Deferred Tax Assets	**725.57**	**552.22**	**(0.14)**	**1,277.65**
Net Deferred tax asset	**573.29**	**441.32**	**(211.08)**	**803.53**

Movement of Deferred tax assets	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2021
Liabilities				
Fair value of financial instruments	75.07	6.67	1.06	82.80
Difference in income recognition on unrealized gain on mutual fund investments	16.75	52.73	-	69.48
Deferred Tax Liabilities	**91.82**	**59.40**	**1.06**	**152.28**
Assets				
Provision for employee benefits	9.55	5.34	(0.61)	14.28
Difference in written down value as per Companies Act and Income-tax Act	5.91	0.56	-	6.47
EIR adjustment for processing fee	-	30.81	-	30.81
Liability against leases	3.96	3.48	-	7.44
Impairment loss allowance	366.51	274.39	-	640.90
Carry forward of interest disallowed u/s 94B	25.67	-	-	25.67
Deferred tax assets	**411.60**	**314.58**	**(0.61)**	**725.57**
Net Deferred tax assets	**319.78**	**255.19**	**(1.67)**	**573.29**

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12 Property, plant and equipment (at cost or deemed cost)

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold Improvements	Total
Gross carrying amount						
Balance as at March 31, 2020	1.47	28.79	5.36	31.39	141.24	208.25
Additions	0.41	8.52	-	0.47	-	9.40
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	1.88	37.31	5.36	31.86	141.24	217.65
Additions	-	19.54	-	0.47	-	20.01
Disposals	(0.04)	-	-	(0.28)	(3.97)	(4.30)
Balance as at March 31, 2022	1.84	56.85	5.36	32.04	137.27	233.36
Accumulated depreciation						
Balance as at March 31, 2020	0.69	19.78	3.79	15.19	29.94	69.39
Charge for the year	0.21	7.76	0.48	7.23	16.43	32.11
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	0.90	27.54	4.27	22.42	46.37	101.50
Charge for the year	0.25	11.28	0.33	4.08	15.81	31.75
Disposals	(0.03)	-	-	(0.27)	(3.77)	(4.07)
Balance as at March 31, 2022	1.12	38.82	4.60	26.23	58.41	129.18
Net carrying amount						
As at March 31, 2020	0.78	9.01	1.57	16.20	111.30	138.86
As at March 31, 2021	0.98	9.77	1.09	9.44	94.87	116.15
As at March 31, 2022	0.72	18.02	0.76	5.81	78.86	104.18

Notes:

I) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 13 - Right of use assets.

II) During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.

III) There is no proceeding initiated against the Company for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

13 Capital work in progress

	As at March 31, 2022	As at March 31, 2021
Capital work in progress	23.27	-
	23.27	-

As at 31 March, 2022

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	23.27	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	23.27	-	-	-	-

As at 31 March, 2021

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note:
Contractual commitments to be executed on capital account amounting to Rs. 18.25 millions (previous year: NIL)

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14 Right of use assets

	Right of use assets	Total
Gross carrying amount		
Balance as at March 31, 2020	293.91	293.91
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	293.91	293.91
Additions	75.08	75.08
Disposals	-	-
Balance as at March 31, 2022	368.99	368.99
Depreciation		
Balance as at March 31, 2020	45.24	45.24
Additions	37.96	37.96
Disposals	-	-
Balance as at March 31, 2021	83.20	83.20
Additions	50.84	50.84
Disposals	-	-
Balance as at March 31, 2022	134.04	134.04
Net carrying amount		
As at March 31, 2020	248.67	248.67
As at March 31, 2021	210.71	210.71
As at March 31, 2022	234.95	234.95

Note: For other details please refer Note 46

15 Other intangible assets

	Software	Total
Gross carrying amount		
Balance as at March 31, 2020	15.66	15.66
Additions	24.25	24.25
Disposals	-	-
Balance as at March 31, 2021	39.91	39.91
Additions	24.69	24.69
Disposals	-	-
Balance as at March 31, 2022	64.60	64.60
Amortization		
Balance as at March 31, 2020	8.11	8.11
Additions	9.00	9.00
Disposals	-	-
Balance as at March 31, 2021	17.11	17.11
Additions	16.09	16.09
Disposals	-	-
Balance as at March 31, 2022	33.20	33.20
Net carrying amount		
As at March 31, 2020	7.55	7.55
As at March 31, 2021	22.80	22.80
As at March 31, 2022	31.41	31.41

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		As at March 31, 2022	As at March 31, 2021
16	**Other non- financial assets**		
	Capital advance	-	6.13
	Prepaid expenses	102.57	87.80
	Other non-financial assets	1.00	0.73
	Total	**103.56**	**94.66**
17	**Assets held for sale**		
	Assets under settlement (see note below)	143.88	189.85
		143.88	**189.85**

Note : These assets represent assets acquired from the Company's borrowers as a part of Company's risk management strategy. In these cases, the Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Company and borrower to transfer the asset in the name of the Company towards settlement of the loan amount.
Basis the development during the current year, the Company, on prudent basis, has written off asset under settlement amounting to Rs. 45.97 million.

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	As at March 31, 2022	As at March 31, 2021
18 Payables		
a. Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	94.79	110.75
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	659.67	411.61
	754.46	**522.36**
b. Other payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	228.80
	379.87	**228.80**
Total	**1,134.33**	**751.15**

I) Trade payable and other payable ageing schedule

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	94.79	-	-	-	94.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	997.44	33.92	5.10	3.08	1,039.54
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**1,092.23**	**33.92**	**5.10**	**3.08**	**1,134.33**

As at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	110.75	-	-	-	110.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	616.52	14.27	9.61	-	640.40
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**727.27**	**14.27**	**9.61**	**-**	**751.15**

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ii) Amount outstanding if Micro,Small and Medium Enterprises Development Enterprises

Based on the responses received from certain suppliers, the Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2022	As at March 31, 2021
I) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	94.79	110.75
- Interest thereon	0.03	-
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment	-	-
iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) the amount of interest accrued and remaining unpaid	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

19 Debt securities (at amortised cost)

Non convertible debentures (refer note 19.1)	18,552.27	18,551.69
Optionally convertible debentures (refer note 19.2)	-	-
	18,552.27	**18,551.69**
Secured **	499.27	498.69
Unsecured	18,053.00	18,053.00
Total	**18,552.27**	**18,551.69**
Debt securities in India	18,552.27	18,551.69
Debt securities outside India	-	-
Total	**18,552.27**	**18,551.69**

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company of Rs. 893.22 millions (previous year Rs. 725 millions).

The Company has not created the Debenture redemption reserve as it is not mandatorily required in accordance with provisions of the Companies Act 2013.

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19.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021	Terms of redemption
INE604O07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500	499.27	498.69	On or prior to 36 months from the first allotment date. Coupon payment frequency is yearly
Total							499.27	498.69	

All secured against exclusive charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021	Terms of redemption
INE604O08066	October 1, 2019	October 1, 2022	10,00,000	1,160	10.35%	1,160.00	1,160.00	1,160.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08074	October 21, 2019	October 21, 2022	10,00,000	2,040	10.35%	2,040.00	2,040.00	2,040.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08082	November 25, 2019	November 25, 2023	10,00,000	2,040	8.50%	2,040.00	2,040.00	2,040.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08090	December 10, 2019	December 10, 2023	10,00,000	867	8.50%	867.00	867.00	867.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08108	February 20, 2020	February 20, 2024	10,00,000	7,172	8.50%	7,172.00	7,172.00	7,172.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08124	February 28, 2020	February 28, 2024	10,00,000	4,640	9.50%	4,640.00	4,640.00	4,640.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08116	March 12, 2020	March 12, 2024	10,00,000	134	8.50%	134.00	134.00	134.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
Total							**18,053.00**	**18,053.00**	

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	As at March 31, 2022	As at March 31, 2021
20 Borrowings (other than debt securities) (at amortised cost)		
Secured*		
Term loans		
From banks (See note i and iii below)	8,717.10	1,181.19
Cash credit and overdraft		
From banks (See note ii below)	248.43	-
	8,965.53	**1,181.19**
Borrowings in India	8,965.53	1,181.19
Borrowings outside India	-	-
Total	**8,965.53**	**1,181.19**

Notes:

i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 14,257.92 millions (Previous year: Rs. 2,397.07 millions).

ii) Exclusive Hypothecation charge on the standard receivables of the Company upto 1.25 times, at all times and cash credit is repayable on demand.

iii) Terms of repayment of borrowings as on March 31, 2022 are as follows:

Lender	Disbursement Amount	Repayment	Rate of interest	Security cover	Outstanding as on March 31,2022	Outstanding as on March 31, 2021
Bank of Baroda	1,000	16 quarterly installments	>6.00%<10.5%	133%	248.50	494.24
Bank of Baroda	500	16 monthly installments	>6.00%<10.5%	133%	373.33	497.05
Bank of Baroda	500	16 quarterly installments	>6.00%<10.5%	133%	497.50	-
Karnataka Bank Limited	200	11 quarterly installments	>6.00%<10.5%	125%	163.22	-
Bank of Maharashtra	500	42 monthly installments	>6.00%<10.5%	125%	476.93	-
HDFC Bank Limited	300	16 quarterly installments	>6.00%<10.5%	133%	-	56.21
HDFC Bank Limited	750	8 quarterly installments	>6.00%<10.5%	125%	512.55	-
HDFC Bank Limited	800	8 quarterly installments	>6.00%<10.5%	125%	797.04	-
State Bank Of India	1,000	15 quarterly installments	>6.00%<10.5%	125%	865.74	-
Karnataka Bank Limited	250	11 quarterly installments	>6.00%<10.5%	125%	221.86	-
Kotak Mahindra Bank Limited	400	24 monthly installments	>6.00%<10.5%	133%	349.44	-
IndusInd Bank Limited	500	12 quarterly installments	>6.00%<10.5%	133%	495.74	-
Punjab National Bank	500	35 monthly installments	>6.00%<10.5%	133%	483.82	-
South Indian Bank Limited	300	14 quarterly installments	>6.00%<10.5%	133%	-	85.61
South Indian Bank Limited	500	15 quarterly installments	>6.00%<10.5%	125%	499.04	-
Indian Bank	750	16 quarterly installments	>6.00%<10.5%	125%	746.57	-
AU Small Finance Bank Limited	450	36 monthly installments	>6.00%<10.5%	110%	-	0.92
Union Bank of India Limited	550	14 quarterly installments	>6.00%<10.5%	133%	-	27.17
Small Industries Development Bank of India	200	7 monthly Installments	>6.00%<10.5%	125%	-	20.00
State Bank Of India	2,000	15 quarterly installments	>6.00%<10.5%	125%	1,985.82	-
Total					**8,717.10**	**1,181.19**

The charges/satisfaction which yet to be registered with Registrar of Companies (ROC) as at 31 March, 2022 are as follows:

Brief description of satisfaction	Location of ROC	Due date for satisfaction	Reason for delay
Bank of India	Delhi	Not yet registered	The loan was obtained from consortium of banks with Bank of India being the lead banker. The loan was completely repaid in the year 2018. Due to involvement of multiple banks, NOCs from all the banks are required by the lead banker to issue NOC for the satisfaction of Debt. The Company is following up with all the involved banks to obtain the NOC for satisfaction of charge. The Company shall file for the satisfaction of charge with the ROC on receipt of NOC from BOI.

Notes:

i) Secured term loans from banks amounting to Rs. 8,717.10 millions and carry rate of interest in the range of 6.00% to 10.50% p.a. The loans are having tenure of 2 to 4 years from the date of disbursement and are repayable in both monthly and quarterly installments. The secured term loans are secured by hypothecation (exclusive charge) of the book debt receivables of the Company.

ii) There are no term loans from financial institutions.

iii) The Company has not defaulted in the repayment of dues to its lenders.

iv)The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

v) Company has been submitting monthly/quarterly receivable/stock data with the lenders as per the provision of sanction letters and there are no discrepancies between receivable/stock data submitted to the lenders and book of accounts.

vi) The corporate guarantee given by the Company for borrowings of fellow subsidiary on which charge is created on the assets of Company have not been considered for the disclosure as their charge is not due for the satisfaction.

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	As at March 31, 2022	As at March 31, 2021
21 Lease liabilities		
Lease liabilities (refer note 46)	276.36	242.29
	276.36	**242.29**
22 Other financial liabilities		
Interest accrued but not due		
- Debt securities	156.43	156.43
- Borrowings other than debt securities	6.44	0.67
	162.87	**157.10**
23 Provisions		
Provision for gratuity (refer note 38)	32.58	22.78
Provision for compensation absences	44.67	33.95
	77.25	**56.73**
24 Other non-financial liabilities		
Statutory dues payable	58.18	44.65
Security Deposit	4.71	3.35
Total	**62.89**	**48.00**

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25 Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	96,50,00,000	9,650.00	96,50,00,000	9,650.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	1,00,00,00,000	10,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	65,50,78,001	6,550.78	64,20,35,533	6,420.36
Sub total (A)	**65,50,78,001**	**6,550.78**	**64,20,35,533**	**6,420.36**
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	16.22
Sub total (B)	**5,73,15,400**	**16.22**	**5,73,15,400**	**16.22**
Total (A+B)	**71,23,93,401**	**6,567.00**	**69,93,50,933**	**6,436.58**

25.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	69,93,50,933	6,436.58	61,62,94,566	5,592.94
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	-	-	-	-
Shares issued during the year	1,30,42,468	130.42	8,30,56,367	830.57
First call money called on party paid up shares	-	-	-	13.07
Balance at the end of year	**71,23,93,401**	**6,567.00**	**69,93,50,933**	**6,436.58**

25.2 Shares held by holding Company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
	51,98,89,603	72.98%	51,98,89,603	74.34%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

25.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
NIS Ganesha S.A.	6,47,35,441	9.09%	6,47,35,441	9.26%
K2VZ	5,73,15,400	8.05%	5,73,15,400	8.20%

Note: As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) During the current year, the Company has issued 1,30,42,468 equity shares comprising of 107,62,812 Rs. 10 per share at Rs. 209.75 per share (including premium of Rs. 199.75 per share) and 22,79,656 equity shares of Rs. 10 per share at applicable exercise price under the ESOP plans. The amount received on these issues aggregates to Rs. 2,342.63 million.

(ii) The Company had issued 2,7783,195 Compulsorily Convertible Preference Shares ("CCPS") namely Series B, Series C, Series D, Series E, Series F and Series G to different holders from time to time. As per the terms of issue of CCPS, the CCPS were converted into 2,00,56,804 ordinary equity shares of the Company on November 8, 2019.

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25.4 Details of shares held by promoters

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	51,98,89,603	43,89,39,922
Change during the year	-	8,09,49,681
No. of shares at the end of the year	51,98,89,603	51,98,89,603
% of total shares	72.98%	74.34%
% change during the year	-1.83%	4.38%

DMI Limited is the promoter of the Company

25.5 Rights, preferences and restrictions

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

25.6 Aggregate number of shares issued for consideration other than cash during the five years

The Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

25.7 Uncalled and Unpaid Capital

There are 5,73,15,400 equity shares issued by the Company against which, the Company has received Rs. 16,52,47,259 (including securities Premium of Rs. 14,90,25,873). Balance amount is not called up by the Company.

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26 Other equity

	As at March 31, 2022	As at March 31, 2021
Securities premium	25,707.55	23,495.35
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	1,093.02	977.46
Share based payment outstanding reserve	187.02	140.95
Share warrant reserve	32.44	-
Retained earnings	4,150.54	3,688.30
Other comprehensive income	661.59	34.05
Upfront monies received on share warrant	0.50	-
Total	**31,913.87**	**28,417.32**
Securities premium		
Opening balance	**23,495.35**	**14,547.77**
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	2,212.20	8,947.58
Closing balance	**25,707.55**	**23,495.35**
Capital redemption reserve		
Opening balance	**81.21**	**81.21**
Add : Additions during the year	-	-
Closing balance	**81.21**	**81.21**
Statutory reserve u/s 45-IC of RBI Act		
Opening balance	**977.46**	**932.84**
Add : Transfer during the year from Surplus in statement of profit and loss	115.56	44.62
Closing balance	**1,093.02**	**977.46**
Share based payment outstanding reserve		
Opening balance	**140.95**	**66.58**
Add: Granted/vested during the year	73.56	75.78
Less : Exercised during the year	(27.49)	(1.41)
Closing balance	**187.02**	**140.95**
Share warrant reserve		
Opening balance	-	-
Add : Addition during the year	32.44	-
Closing balance	**32.44**	-
Retained earnings		
Opening balance	3,688.30	3,509.84
Add : Profit for the year	577.80	223.08
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(115.56)	(44.62)
Closing balance	**4,150.54**	**3,688.30**

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	As at March 31, 2022	As at March 31, 2021
Upfront monies received on share warrant		
Opening balance	-	-
Add : Amount received during the year	0.50	-
Closing balance	**0.50**	-
Other Comprehensive Income		
Opening balance	34.05	29.07
Add: Remeasurement gain on defined benefit plan	0.39	1.83
Add : Gain on Fair Value changes (Debt and Equity)	610.18	3.15
Add: Realised Gain on Investments	16.97	-
Closing balance	**661.59**	**34.05**

Security premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares.

Statutory reserve u/s 45-IC of RBI Act

The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

Share warrant reserve

The reserve is used to recognise the fair value of the warrants issued to consultants of the Company and subsidiary companies.

Retained earnings

Retained earnings or accumulated surplus and represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

Upfront monies received on share warrant

Upfront monies received on share warrant represents the upfront monies received against the share warrants issued by the Company.

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27 Interest Income

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest income on portfolio loans	-	7,280.54	30.22	-	6,394.70	18.35
Interest income on investments	22.89	310.55	154.84	-	286.79	175.86
Interest on deposits with bank	-	38.06	-	-	34.94	-
	22.89	7,629.15	185.06	-	6,716.43	194.21
Total Interest income			7,837.11			6,910.64

28 Fees and commission Income

	Amount Invoiced		Revenue booked	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Fee on card reload	21.42	18.48	21.42	18.48
Others *			97.44	20.31
	21.42	18.48	118.86	38.79

*includes income related other recoveries from Consumer loans

29 Net gain on fair value changes

	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit and loss		
on financial instruments designated at fair value through profit or loss	1,005.79	591.04
(B) others	-	-
	1,005.79	591.04
Analysis of fair value changes#		
Realised	716.69	355.03
Unrealised	289.10	236.01
	1,005.79	591.04

#shows the change from the date of investment

30 Other income

Cost sharing from group companies	122.74	104.04
Income on Treasury instruments	16.88	-
Miscellaneous income	4.89	-
	144.51	104.04

31 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,685.76	1,699.45
Interest on borrowings (other than debt securities)		
- on bank term loan	211.88	141.75
- on bank cash credit	0.58	0.32
Other Interest expense		
- on delayed deposit of statutory dues	0.08	0.81
- on leasing arrangements	16.09	24.54
Other borrowing costs	2.14	24.81
	1,916.53	1,891.68

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32 Fees and commission expense

	Year ended March 31, 2022	Year ended March 31, 2021
Selling partner commission	671.05	903.63
	671.05	**903.63**

33 Impairment on financial instruments

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost
Loans	6.88	-	1,074.96	0.75	-	651.95
Investments	110.27	61.79	746.00	98.31	-	295.86
Write offs	-	-	1,412.03	-	-	1,801.87
Total	**117.15**	**61.79**	**3,232.99**	**99.06**	-	**2,749.68**
			3,411.93			**2,848.74**

34 Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	706.26	572.46
Contribution to provident and other funds	22.34	24.25
Gratuity expenses (refer note 38)	10.44	8.14
Share based payment to employees	73.56	75.78
Staff welfare expenses	27.26	18.36
	839.86	**698.99**

35 Depreciation and amortization

Depreciation on property, plant and equipment (See note 12)	31.75	32.11
Amortisation of right of use assets (See note 14)	50.84	37.96
Amortisation of other intangible assets (See note 15)	16.09	9.00
	98.68	**79.07**

36 Other expenses

Advertisement expenses	8.85	18.67
Legal and professional fees*	587.71	353.28
Travelling and conveyance expenses	10.48	4.40
Auditor's remuneration (refer note 36.1)	4.05	4.04
IT expenses	255.21	145.65
Rates and taxes	1.76	1.55
Rent	4.58	12.65
Goods and service tax	198.45	174.95
Director's sitting fee	0.68	0.56
Corporate social responsibility (refer note 36.2)	17.40	23.62
Repair and maintenance	14.55	7.30
Insurance expense	0.24	0.10
Credit evaluation fee	151.27	116.07
Credit rating fee	5.24	2.05
Customer onboarding expenses	0.07	2.28
Assets held for sale written off	45.97	-
Miscellaneous expenses	80.18	43.21
	1,386.69	**910.38**

* includes share warrant expense amounting to Rs. 32.44 millions (previous year Rs. Nil)

36.1 Auditor's remuneration (excluding applicable taxes)

- as auditors	2.80	3.05
- for tax services	0.30	0.03
- for other services*	0.95	0.96
	4.05	**4.04**

* includes amount of INR 0.15 million paid to erstwhile auditor

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36.2 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was Rs. 17.40 millions in FY 2021-22 (Previous Year Rs. 23.62 millions) and Company has spent Rs. 17.40 millions in FY 2021-22 (Previous Year Rs. 23.62 millions).

	Year ended March 31, 2022	Year ended March 31, 2021
Gross amount unspent for the last year	-	-
Gross amount required to be spent by the Company during the year	17.40	23.62
Amount spent during the year	17.40	23.62
Construction/acquisition of any asset	-	-
Paid in cash	17.40	23.62
Yet to be paid in cash	-	-
Nature of CSR Activities		
Education, Nutrition and Women Empowerment	14.16	15.50
Promoting and development towards healthcare	2.74	5.12
Promoting Indian Classical art and culture among youth	0.50	-
Training and helping Indian Athletes to win Olympic Gold medals	-	2.00
Provide supporting in eradication of hunger	-	1.00

Notes :

a) There is no transaction with related parties as defined under the IND AS 24 'Related Party Disclosures'

b) There is no provision outstanding in the books as at March 31, 2022

c) During the previous financial year (2020-21), the Company has spent excess amount of INR 0.77 million, such excess amount was set off against the CSR expenditure spent during the financial year 2021-22 pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

37 Earning per share (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to equity shareholders	**577.80**	**223.08**
Net profit for the year for basic EPS	577.80	223.08
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	577.80	223.08
Nominal value of equity shares (in Rs.)	10.00	10.00
Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)	**70,34,43,054**	**63,55,56,623**
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	**71,55,44,050**	**69,64,77,457**
Basic EPS	**0.82**	**0.35**
Dilutive EPS	**0.81**	**0.32**

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38 Retirement benefit plan

Defined contribution plan
A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 22.34 millions (previous year: Rs. 24.25 millions) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plan
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.
Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive Income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning of the year	22.78	17.08
Current service cost	8.90	6.99
Interest cost	1.54	1.15
Benefits Paid	(0.12)	-
Remeasurement (gain) / loss	(0.52)	(2.44)
Balance at the end of the year	**32.58**	**22.78**

Amount recognised in the statement of profit and loss is as under:	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Current service cost	8.90	6.99
Interest cost on defined benefit obligation	1.54	1.15
Net impact on profit before tax	**10.44**	**8.14**

Amount recognised in the other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	
Actuarial changes arising from changes in financial assumptions	(2.05)	
Experience adjustments	1.54	(2.44)
Impact on other comprehensive income	**(0.52)**	**(2.44)**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the company's plans are shown below:

Economic assumptions		
Discount rate	7.18%	6.76%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

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Sensitivity analysis for gratuity liability	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(2.37)	(1.73)
Impact due to decrease of 0.50 %	2.61	1.91
Impact of the change in salary increase		
Impact due to increase of 0.50 %	2.63	1.92
Impact due to decrease of 0.50 %	(2.40)	(1.75)

The following is the maturity profile of gratuity:

Expected payment for future years	**As at March 31, 2022**	**As at March 31, 2021**
0 to 1 year	0.49	0.23
1 to 2 year	0.52	0.36
2 to 3 year	0.52	0.36
3 to 4 year	0.55	0.39
4 to 5 year	0.55	0.40
5 to 6 year	0.70	0.38
6th year onwards	29.25	20.66
Total expected payments	**32.58**	**22.78**

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 20.17 years (Previous year : 20.27 years)

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39 Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for its Group employees. Details of all grants in operation during the Year ended March 31, 2022 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of Options granted	Method of settlement	Graded vesting period *	Number of employees to whom options were granted	First vesting date	Exercise period **	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	01-Apr-19	11-02-2020	6,46,899	Shares	See Below	40	31-03-2020	5 years	As per plan	95.49	95.49
DMI ESOP Retention Plan 2019	16-Mar-20	11-02-2020	14,00,000	Shares	See Below	10	15-03-2021	5 years	As per plan	100.00	101.87
DMI ESOP plan 2018	19-Mar-18	16-03-2018	24,527	Shares	See Below	6	18-03-2019	5 years	As per plan	43.90	22.81
DMI Retention Plan, 2018	02-Apr-18	16-03-2018	10,87,300	Shares	See Below	17	31-03-2019	5 years	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme	01-Oct-18	01-10-2018	5,86,222	Shares	See Below	5	30-09-2019	5 years	As per plan	62.21	95.49
DMI ESOP Plan, Legacy Scheme	01-Apr-18	16-03-2018	3,14,148	Shares	See Below	5	31-03-2019	5 years	As per plan	13.29	24.68
DMI Employment Contract 2020	16-Feb-21	09-04-2020	23,068	Shares	See Below	1	15-02-2024	5 years	As per plan	113.34	113.34
DMI Retention Bonus (NBFC Apr'20)	21-Apr-20	09-04-2020	5,80,000	Shares	See Below	17	31-03-2021	5 years	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	01-Apr-20	09-04-2020	3,88,823	Shares	See Below	44	31-03-2021	5 years	As per plan	116.36	116.36
DMI Variable2019-20	01-Jan-21	09-04-2020	9,865	Shares	See Below	2	31-03-2021	5 years	As per plan	113.34	113.34
DMI Finance Plan 2021	01-Apr-21	21-06-2021	4,33,708	Shares	See Below	61	01-04-2022	5 years	As per plan	113.34	113.00
DMI Finance Plan 2021	01-Apr-21	21-06-2021	2,00,000	Shares	See Below	2	01-04-2022	5 years	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	01-Apr-21	21-06-2021	4,30,000	Shares	See Below	24	01-04-2024	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	21-06-2021	37,23,000	Shares	See Below	98	27-07-2024	5 years	As per plan	112.86	112.86
DMI Employment Contract 2021-22 - I	18-Nov-21	21-06-2021	2,222	Shares	See Below	1	18-11-2024	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - II	20-Dec-21	21-06-2021	12,210	Shares	See Below	1	20-12-2022	5 years	As per plan	209.00	209.00
DMI ESOP Plan, Management - III	15-Jan-22	21-06-2021	18,315	Shares	See Below	1	15-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - III	28-Jan-22	21-06-2021	6,106	Shares	See Below	1	28-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - IV	01-Mar-22	21-06-2021	7,326	Shares	See Below	1	01-03-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - V	07-Mar-22	21-06-2021	3,664	Shares	See Below	1	07-03-2023	5 years	As per plan	209.00	209.00
Total			98,97,403			338					

Graded vesting period*

*1 As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

*2. For Schemes Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21), DMI Employment Contract 2021-22 - I and DMI Employment Contract 2021-22 - IV options will vest on completion of three years from the grant dates respectively.

Exercise period**

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date

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March 31, 2022

II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	2,97,496	-	24,527	0.96
DMI Retention Plan, 2018	14,83,942	-	3,96,642	-	10,87,300	1
DMI ESOP Plan, Management Scheme	6,04,396	-	18,174	-	5,86,222	1.5
DMI ESOP Plan, Legacy Scheme	18,27,677	-	15,13,529	-	3,14,148	1
DMI ESOP PLAN 2019	6,88,660	-	41,761	-	6,46,899	2
DMI ESOP RETENTION PLAN 2019	14,00,000	-	-	-	14,00,000	2.96
DMI Employment Contract 2020	23,068	-	-	-	23,068	3.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000	-	-	-	5,80,000	3
DMI Finance ESOP Plan 2020	3,99,387	-	10,564	-	3,88,823	3
DMI Variable2019-20	11,355	-	1,490	-	9,865	3.76
DMI Finance Plan 2021	-	4,33,708	-	-	4,33,708	4.01
DMI Finance Plan 2021	-	2,00,000	-		2,00,000	4.01
Founder Circle Award 2020-21 (NBFC Apr'21)	-	4,30,000	-	-	4,30,000	4.01
Founder Circle Award 2020-21 (NBFC Jul'21)	-	37,23,000	-	-	37,23,000	4.33
DMI Employment Contract 2021-22 - I	-	2,222	-	-	2,222	4.64
DMI Employment Contract 2021-22 - II	-	12,210	-	-	12,210	4.73
DMI ESOP Plan, Management - III	-	18,315	-	-	18,315	4.8
DMI Employment Contract 2021-22 - III	-	6,106	-	-	6,106	4.83
DMI Employment Contract 2021-22 - IV	-	7,326	-	-	7,326	4.92
DMI Employment Contract 2021-22 - V	-	3,664	-	-	3,664	4.94
Total	73,40,508	48,36,551	22,79,656	-	98,97,403	

March 31, 2021

II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	-	-	3,22,023	2
DMI Retention Plan, 2018	15,50,442	-	-	66,500	14,83,942	2
DMI ESOP Plan, Management Scheme	7,23,981	-	-	1,19,585	6,04,396	3
DMI ESOP Plan, Legacy Scheme	18,27,677	-	-	-	18,27,677	2
DMI ESOP PLAN 2019	7,72,377	-	-	83,717	6,88,660	3
DMI ESOP RETENTION PLAN 2019	17,00,000	-	-	3,00,000	14,00,000	4
DMI Employment Contract 2020	-	23,068	-	-	23,068	5
DMI Retention Bonus (NBFC Apr'20)	-	5,80,000	-	-	5,80,000	4
DMI Finance ESOP Plan 2020	-	3,99,387	-	-	3,99,387	4
DMI Variable2019-20	-	11,355	-	-	11,355	5
Total	68,96,500	10,13,810	-	5,69,803	73,40,508	

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III. Computation of fair value

For undertaking fair valuation of ESOP, the Company is using Black-Scholes Model.

ESOP PLAN	Fair market value of shares (Rs.)	Volatility	Risk free rate	Dividend Yield	Exercise price (Rs.)	Option fair value
DMI ESOP PLAN 2019	95.49	30.00%	7.35%	-	95.49	38.86
DMI ESOP RETENTION PLAN 2019	101.87	30.00%	6.50%	-	100.00	40.75
DMI ESOP PLAN 2018	22.81	15.00%	6.00%	-	43.90	0.67
DMI Retention Plan, 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme	95.49	15.00%	7.50%	-	62.21	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Employment Contract 2020	113.34	30.00%	6.14%	-	113.34	43.35
DMI Retention Bonus (NBFC Apr'20)	116.36	30.00%	6.14%	-	116.36	44.51
DMI Finance ESOP Plan 2020	116.36	30.00%	6.14%	-	116.36	44.51
DMI Variable2019-20	113.34	30.00%	6.14%	-	113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.34	43.49
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.00	43.30
Founder Circle Award 2020-21 (NBFC Apr'21)	113.00	30.00%	6.14%	-	113.34	43.49
Founder Circle Award 2020-21 (NBFC Jul'21)	112.86	30.00%	6.14%	-	112.86	43.17
DMI Employment Contract 2021-22 - I	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - II	209.00	30.00%	6.60%	-	209.00	81.89
DMI ESOP Plan, Management - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - IV	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - V	209.00	30.00%	6.60%	-	209.00	81.89

The Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Company. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Company recognise share based compensation in the Statement of Profit and Loss with a corresponding credit to Share based payments outstanding reserve.

The Company has entered into Cost chargeback agreement with the granter and post this agreement the Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Company, to DMI Housing Finance Private Limited. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account viz Share Options Outstanding Account disclosed under notes.

During the Financial year 2018-19, as per the scheme options were granted to employees of the Granter. The Company has recognised the expense of Rs. 0.70 millions (previous year: Rs. 2.16 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 9.99 millions as on March 31,2022 (Rs. 9.29 Millions as on March 31, 2021).

The employees' compensation expense for Stock options during the year ended 31 March 2022 amounts to Rs. 72.86 millions (previous year Rs. 75.78 millions).

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40 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Subsidiaries
DMI Management Services Private Limited
DMI Capital Private Limited
Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director
Mr. Nipender Kochhar	Director
Mr. Jatinder Bhasin	Chief Financial Officer (upto 17 March 2021)
Mr. Krishan Gopal	Chief Financial Officer (w.e.f. 18 March 2021)
Mr. Sahib Pahwa	Company Secretary

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2VZ, Partnership Firm
DMI Alternative Investment Fund
Quickwork Technologies Private Limited

Entity with Significant Influence
Ganesha Fixed Income Limited

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Housing Finance Private Limited	Cost share recovery	59.70	70.18
	Share based payment	0.70	2.16
	Interest on loan	-	20.78
	Repayment of loan	-	700.00
	Reimbursement of expense paid by related party on behalf of entity	3.67	-
DMI Management services Private Limited	Cost share recovery	0.06	0.06
DMI Capital Private Limited	Cost share recovery	0.60	0.60
DMI Alternative Investment Fund	Repayment of loan	-	800.00
	Interest expenses	-	23.75
DMI Alternatives Private Limited	Cost share recovery	60.70	33.46
	Share based payment	0.13	0.74
	Reimbursement of expense incurred on behalf of related party	5.49	-
Ganesha Fixed Income Limited	Interest expenses	11.39	11.36

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Name of related party	Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Limited	Issue of equity shares	-	9,419.31
Mr. Sahib Pahwa	Loan / advance given	-	0.48
	Interest income	0.03	0.05
	Remuneration	5.18	4.12
	Loan received back	0.51	0.09
Mrs. Bina Singh	Sitting fee	0.12	0.10
	Share Warrants Expense	0.77	-
Mr. Yuvraja Chanakya Singh	Remuneration	35.20	57.10
	Post employment benefits	0.36	0.36
	Issue of equity shares	-	119.39
Mr. Shivashish Chatterjee	Remuneration	26.31	56.38
	Post employment benefits	0.36	0.36
	Issue of equity shares	-	119.39
Mrs. Jayati Chatterjee	Sitting fees	0.22	0.18
	Share Warrants Expense	0.77	-
Mr. Gurcharan Das	Sitting fees	0.12	0.10
	Share Warrants Expense	0.77	-
Mr. Nipender Kochhar	Sitting fees	0.22	0.16
	Share Warrants Expense	0.77	-
Mr. Jatinder Bhasin	Remuneration	NA	10.92
Mr. Krishan Gopal	Remuneration	9.35	0.67
Quickwork Technologies Private Limited	Other Expenses	1.08	-
Ms. Paromita Chatterjee	Consultancy Fee	0.70	-
K2VZ	Issue of equity shares	-	133.13

(c) Outstanding balances with related parties:

Name of related party	Nature of balances	As at March 31, 2022	As at March 31, 2021
Mr. Sahib Pahwa	Loan receivable	-	0.48
DMI Alternatives Private Limited	Employee Stock Option Plan recoverable	4.96	4.89
DMI Housing Finance Private Limited	Employee Stock Option Plan payable	9.99	9.29
	Corporate Guarantee	4,329.99	4,447.17
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	134.00	134.00

Others
During the Year ended March 31, 2022, the Company has bought back certain non convertible debentures from Mr. Sahib Pahwa for consideration of Nil (previous year: Rs 0.64 millions)

During the Year ended March 31, 2022, the Company has bought back certain non convertible debentures from DMI Housing Finance Private Limited for consideration of Nil (previous year: Rs 126.48 millions)

(d) Disclosure pursuant to Schedule V of Clause A (2) of Regulation 53(f) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015:
There is no loan or advance given by the Company to either holding company or subsidiary companies.

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41 (a) Impact of COVID 19 pandemic

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the dynamic nature of the pandemic situation, these estimates are subjects to uncertainty and may be affected by severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial value of the financial assets, the financial position and performance of the Company.

41 (b) The date on which the Code on Social Security, 2020(the "Code") relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalized. The Company will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.

41 (c) In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by Company exceeds the total Provision required under IRACP (including Standard Asset provisioning),as at March 31, 2022 and accordingly no amount is required to be transferred to impairment reserve

41 (d) In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, during the previous year, the Company estimated the said amount and made provision for refund/adjustment in these standalone financial statements.

42 During the previous year, in compliance with Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020), the Company granted the benefit amounting to Rs. 99.47 millions to its borrowers.

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43 Capital

The Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company endeavours to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2022	As at March 31, 2021
CRAR - Tier I capital (%)	57.46%	59.03%
CRAR - Tier II capital (%)	3.85%	1.17%
CRAR (%)	61.31%	60.20%

Refer note 54(iv) for basis of calculation of CRAR

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

44 Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
Contingent liabilities not provided in respect of:		
i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	4,329.99	4,447.17
ii.Guarantees issued by bankers on behalf of Company	-	-
Claims against the Company not acknowledged as debt		
i. Income tax (note 2)	2.26	2.26

Notes :

1. The Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 4,329.99 million as at March 31, 2022 (March 31,2021: Rs. 4,447.17 million).

2. During the previous year, the Company has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of Rs.6.42 millions on account of disallowance of deduction under section 80G of the Income-tax Act, 1961. The Company has appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of Rs. 2.26 million but the Company has already paid the taxes more than by Rs. 2.31 million therefore, the Company is not required to pay any additional demand. In presence of favourable case laws and judicial precedents wherein similar facts have been addressed, the Company expects that the additional demand will be deleted by CIT (A). Hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Company is less than probable.

b. Commitments

Commitments for acquisition of property, plant and equipment (net of advances)	18.25	-

c. Others

In case of un-disbursed loan facility, the Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn capital commitment for the Company are amounting to Nil.

The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

45 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2020	22,797.57	2,824.83	266.45	25,888.85
Cash flows:				
- Repayment	(4,750.00)	(2,355.33)	(55.18)	(7,160.51)
- Proceeds	500.00	700.00	-	1,200.00
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	4.12	11.69	-	15.81
- Others	-	-	31.02	31.02
March 31, 2021	18,551.69	1,181.19	242.29	19,975.17
Cash flows:				
- Repayment	-	(1,077.84)	(57.10)	(1,134.94)
- Proceeds	-	8,850.00	-	8,850.00
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	0.58	12.18	-	12.76
- Additions during the year	-	-	75.08	75.08
- Others	-	-	16.09	16.09
March 31, 2022	18,552.27	8,965.53	276.36	27,794.16

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46 Leases

The Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.

The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	210.71	248.67
Additions made during the year	75.08	-
Amortisation on right of use assets	50.84	37.96
Balance at the end of the year	234.95	210.71

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	242.29	266.45
Additions made during the year	75.08	-
Interest accretion for the year	16.09	31.02
Payments made during the year	(57.10)	(55.18)
Balance at the end of the year	276.36	242.29

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2030-31.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2022	March 31, 2021
Depreciation expense in respect of right-of-use asset	50.84	37.96
Interest expense in respect of lease liabilities	16.09	24.54
Expense relating to short-term leases (included on other expenses)	4.58	12.65
Total amount recognised in profit or loss	71.51	75.15

The Company's total cash outflows for leases was Rs 57.10 Millions during the year (previous year Rs 48.70 Millions)

Maturity Analysis of Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Upto 1 month	2.65	3.15
Over 1month to 2 month	2.83	3.24
Over 2 months to 3 months	3.82	3.36
Over 3 months to 6 months	11.66	10.24
Over 6 months to 1 year	24.02	19.35
Over 1year to 3 years	80.24	85.36
Over 3 years and upto 5 years	72.20	54.52
Over 5 years	78.94	63.07
Total	276.36	242.29

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47 Tax expenses

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are :

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	645.05	344.13
Deferred tax credit	(441.32)	(255.19)
Income tax expense reported in the statement of profit or loss	**203.73**	**88.94**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	781.53	312.02
Income-tax rate	25.168%	25.168%
Expected tax expense	**196.70**	**78.53**
Expenditure disallowed	494.08	465.26
Income not subject to tax	-	0.17
Deductions	(487.62)	(458.23)
Short term capital gain	-	-
Tax for earlier years	0.57	3.21
Tax expense	**203.73**	**88.94**

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48 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	6,533.27	-	**6,533.27**	2,476.26	-	**2,476.26**
Bank balance other than cash and cash equivalents	294.45	-	**294.45**	267.21	-	**267.21**
Trade receivables	57.07	-	**57.07**	54.64	-	**54.64**
Loans	30,117.80	16,683.35	**46,801.15**	17,461.83	13,635.90	31,097.73
Investments	6,960.75	3,728.11	**10,688.86**	15,516.25	2,972.27	18,488.52
Other financial assets	1,582.52	25.56	**1,608.08**	2,015.59	20.26	2,035.85
Non- financial assets						
Current tax assets (net)	284.71	-	**284.71**	214.39	-	**214.39**
Deferred tax assets (net)	-	803.53	**803.53**	-	573.29	**573.29**
Property, plant and equipment	-	104.18	**104.18**	-	116.15	**116.15**
Right to use assets	50.30	184.65	**234.95**	46.26	164.45	**210.71**
Intangible assets	-	31.41	**31.41**	-	22.80	**22.80**
Capital work in progress	-	23.27	**23.27**			
Other non- financial assets	103.56	-	**103.56**	94.66	-	**94.66**
Assets held for sale	143.88	-	**143.88**	189.85	-	**189.85**
	46,128.31	**21,584.06**	**67,712.37**	**38,336.94**	**17,505.12**	**55,842.06**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	94.79	-	**94.79**	110.75	-	**110.75**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	659.67	-	**659.67**	411.61	-	**411.61**
B) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	-	**379.87**	228.80	-	**228.80**
Debt securities	3,200.00	15,352.27	**18,552.27**	-	18,551.69	**18,551.69**
Borrowings (other than debt securities)	3,397.96	5,567.57	**8,965.53**	560.89	620.30	**1,181.19**
Liabilities against leased assets	44.99	231.37	**276.36**	39.33	202.96	**242.29**
Other financial liabilities	162.87	-	**162.87**	157.10	-	**157.10**
Non financial liabilities						
Provisions	1.82	75.43	**77.25**	1.13	55.60	**56.73**
Other non-financial liabilities	62.89	-	**62.89**	48.00	-	**48.00**
Equity						
Equity share capital	-	6,567.00	**6,567.00**	-	6,436.58	**6,436.58**
Other equity	-	31,913.87	**31,913.87**	-	28,417.32	**28,417.32**
	8,004.86	**59,707.51**	**67,712.37**	**1,557.61**	**54,284.45**	**55,842.06**

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Notes to the standalone financial statements for the year ended March 31, 2022

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49 Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

(Amount in Rs. Crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,199.44	333.32	4,866.12	20.80	312.52
	Stage 2	112.44	25.40	87.04	0.45	24.95
Subtotal		**5,311.89**	**358.72**	**4,953.16**	**21.25**	**337.47**
Non-Performing Assets (NPA)						
Substandard	Stage 3	7.31	7.31	-	0.73	6.58
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	56.62	48.28	8.34	16.99	31.30
More than 3 years	Stage 3	55.70	47.44	8.25	27.85	19.59
Subtotal for doubtful		**112.32**	**95.73**	**16.59**	**44.83**	**50.89**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**119.63**	**103.04**	**16.59**	**45.57**	**57.47**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**5,199.44**	**333.32**	**4,866.12**	**20.80**	**312.52**
	Stage 2	**112.44**	**25.40**	**87.04**	**0.45**	**24.95**
	Stage 3	**119.63**	**103.04**	**16.59**	**45.57**	**57.47**
	Total	**5,431.51**	**461.76**	**4,969.75**	**66.81**	**394.94**

50 Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020

(a) SMA/overdue categories, where the moratorium/deferment was extended until Previous year

(Amount in Rs. Crores)

Particulars	As at March 31, 2021
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular	166.24
Respective amount where asset classification benefit is extended	-
Provisions made in terms of paragraph 5 of the circular (as per Para 4, applicable to entities covered under Ind AS) (as of 31 March 2021)	51.03
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-
Residual provisions as of 31 March 2021/ 31 March 2020 in terms of paragraph 6 of the Circular	51.03

(b) Asset classification benefit extension

Asset classification benefit has not been given to any account as at 31 March 2022 and 31 March 2021.

51 Segment information

The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Company level. The operations of the Company fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Company operates in a single geographical segment, i.e., domestic.

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52 Risk management

Introduction and risk profile

The Company is a private finance company in India and is regulated by the Reserve Bank Of India (RBI). In view of the intrinsic nature of operations, the Company is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management structure and policies

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Company manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Company's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Company liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities

March 31, 2022	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,533.27	1,000.00	-	-	-	-	-	-	6,533.27
Bank balance other than Cash and cash equivalents	-	-	23.00	266.20	5.25	-	-	-	294.45
Trade receivables	57.07	-	-	-	-	-	-	-	57.07
Loans	6,740.85	4,372.93	4,640.01	9,885.18	10,992.12	19,405.33	3,795.16	1,119.45	60,951.03
Investments	6,054.84	21.77	1,498.67	141.89	235.50	1,769.29	1,255.73	4,122.44	15,100.14
Other financial assets	1,187.67	0.45	208.59	111.62	74.20	-	-	25.55	1,608.08
Financial liabilities									
Payables	474.14	229.76	20.45	33.06	306.55	70.37	-	-	1,134.33
Debt securities	-	282.12	143.34	390.82	3,832.44	16,445.46	-	-	21,094.18
Borrowings (other than debt securities)	188.82	138.73	489.51	972.76	1,897.40	4,958.11	1,194.70	-	9,840.03
Lease liabilities	4.96	5.11	6.08	18.24	36.29	117.96	95.76	90.34	374.74
Other financial liabilities	6.44	117.82	38.61	-	-	-	-	-	162.87

March 31, 2021	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	2,476.26	-	-	-	-	-	-	-	2,476.26
Bank balance other than Cash and cash equivalents	-	-	-	261.91	5.30	-	-	-	267.21
Trade receivables	54.64	-	-	-	-	-	-	-	54.64
Loans	4,116.83	2,770.01	2,512.07	5,776.66	6,300.73	15,486.83	3,364.92	785.95	41,114.01
Investments	14,930.65	42.69	553.00	108.14	188.15	737.38	1,770.71	1,595.70	19,926.41
Other financial assets	245.73	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,035.85
Financial liabilities									-
Payables	176.32	130.02	216.02	-	188.50	9.29	31.01	-	751.16
Debt securities	-	282.12	65.28	389.97	781.18	21,171.39	-	-	22,689.93
Borrowings (other than debt securities)	29.06	26.91	150.18	154.56	281.90	555.47	131.25	-	1,329.33
Lease liabilities	5.17	5.23	5.32	15.97	30.04	117.97	72.63	71.44	323.77
Other financial liabilities	0.67	117.82	38.61	-	-	-	-	-	157.10

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the Company's senior management to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Company's overall business strategy and the same is reviewed every quarter by the senior management.
To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Company:

March 31, 2022	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	6,533.27	-	-	-	-	-	-	6,533.27
Bank balance other than Cash and cash equivalents	294.45	-	-	-	-	-	-	294.45
Loans - Corporate (contractual amount of loans)	-	-	11,197.09	-	1,665.93	613.91	-	13,476.94
Loans - Consumer loans (contractual amount of loans)	-	-	-	525.07	-	32,799.14	-	33,324.21
Trade receivables	-	-	-	-	-	57.07	-	57.07
Investments	6,969.56	-	721.35	-	2,969.06	-	19.55	10,679.52
Other financial assets	-	-	-	-	-	1,582.53	25.55	1,608.08
Total	**13,797.28**	-	**11,918.44**	**525.07**	**4,634.99**	**35,052.65**	**45.10**	**65,973.54**

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March 31, 2021	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	2,476.26	-	-	-	-	-	-	2,476.26
Bank balance other than Cash and cash equivalents	267.21	-	-	-	-	-	-	267.21
Loans - Corporate (contractual amount of loans)	-	-	9,006.40	-	2,538.08	703.54	-	12,248.02
Loans - Consumer loans (contractual amount of loans)	-	-	-	434.74	-	18,414.97	-	18,849.71
Receivables	-	-	-	-	-	54.64	-	54.64
Investments	15,835.60	-	1,032.21	-	1,600.48	-	20.23	18,488.52
Other financial assets	-	-	-	-	-	2,014.68	21.17	2,035.85
Total	**18,579.07**	-	**10,038.61**	**434.74**	**4,138.56**	**21,187.83**	**41.40**	**54,420.21**

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.
Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.
The Company's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2022	As at March 31, 2021	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	9,997.08	17,011.82	Equity price
Credit substitutes	2,204.96	2,071.82	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	18,552.27	18,551.69	Interest rate
Borrowings (other than debt securities)	8,965.53	1,423.48	Interest rate

(i) Interest rate risk:-
Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Company's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Company's net interest income, while a long term impact is on the Company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Company is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Company. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

Interest rate risk exposure

	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	8,965.53	1,181.19
Fixed Rate Borrowings	18,552.27	18,551.69

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Effect on net profit	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Decrease in 50 basis points	25.13	7.34
Increase in 50 basis points	(25.13)	(7.34)

(ii) Equity price risk
Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's FVOCI equities at 31 March 2022 would have increased equity by Rs. 268.56 millions (Previous year: Rs 181.56 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Company's FVTPL equities at 31 March 2022 would have increased profits by Rs. 653.54 millions (Previous year: Rs. 1479.40 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

(iii) Foreign Currency risk exposure
The Company is not exposed to foreign currency risk exposure.

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53 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	5,709.86	-	-	5,709.86	14,574.77	-	-	14,574.77
Equity shares - Mcnally Bharat Engineering Company Limited	-	-	-	-	25.12	-	-	25.12
Security receipts of Alchemist XV Trust	-	-	194.11	194.11	-	-	194.11	194.11
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	631.43	631.43	-	-	-	-
Optionally convertible debentures of Azad Engineering Private Limited	-	-	434.44	434.44	-	-	-	-
Compulsorily convertible preference shares in DMI Capital Private Limited	-	-	363.84	363.84	-	-	312.78	312.78
Total financial investment measured at FVTPL	5,709.86	-	1,623.82	7,333.68	14,599.89	-	506.89	15,106.78
Financial investments measured at FVOCI								
Credit Substitutes	-	-	514.24	514.24	-	-	497.68	497.68
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	1,148.13	1,148.13	-	-	826.47	826.47
Loans	-	-			-	-	-	-
Non-convertible debentures - unquoted	-	-	367.90	367.90	-	-	142.83	142.83
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	10.10	-	-	11.01	11.01
Equity Instruments								
DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	-	3.27	3.27
Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	-	226.20	226.20
Flash Electronics Private Limited	-	-	793.97	793.97	-	-	304.40	304.40
Total financial investments measured at FVOCI	-	-	3,053.47	3,053.47	-	-	2,011.86	2,011.86
Total financial assets measured at fair value	5,709.86	-	4,677.29	10,387.15	14,599.89	-	2,518.75	17,118.64

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Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds are valued at NAV of respective investment and are classified as Level 1.

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on net worth of investee company or valuation report issued by independent Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

- Area delivered in past across segments
- Financial strength (of the entity and group)
- Debt track record (debt repaid in past, current & past delinquency)
- Stages of various projects of developer
- Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2022 and March 31, 2021

Movements in Level 3 financial instruments measured at fair value

	Equity Shares	Units of DMI AIF Special Opportunities Scheme	Security receipts of Alchemist XV Trust	Credit Substitutes*	NCD Unquoted*	Compulsorily Convertible Debentures*	Optionally Convertible Debentures*	Compulsorily convertible preference shares - DMI Capital Private Limited	Total
At April 1, 2020	**479.36**	**10.80**	**194.11**	**419.58**	**120.76**	**773.17**	-	**303.30**	**2,301.08**
Purchase	-	-	-	46.45	21.82	-	-	-	68.27
Change in classification	-	-	-	-	-	-	-	-	-
Sales / settlements	-	-	-	(42.98)	(18.10)	2.57	-	-	(58.51)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	0.21	-	74.63	18.35	101.23	-	9.48	203.90
Gains / loss for the period recognized in the other comprehensive income	54.51	-	-	-	-	(50.50)	-	-	4.01
At March 31, 2021	**533.87**	**11.01**	**194.11**	**497.68**	**142.83**	**826.47**	-	**312.78**	**2,518.75**
Purchase	-	-	-	100.00	230.60	180.00	420.00	-	930.60
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	-	-	103.41	48.72	-	152.13
Sales / settlements	-	(1.07)	-	(83.44)	(5.52)	(107.65)	(34.28)	-	(231.96)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	0.17	-	-	-	441.32	-	51.06	492.55
Gains / loss for the period recognized in the other comprehensive income	479.23	-	-	-	-	336.01	-	-	815.24
At March 31, 2022	**1,013.10**	**10.10**	**194.11**	**514.24**	**367.91**	**1,779.56**	**434.44**	**363.84**	**4,677.30**

*Total Gains/Loss for the period recognized in the Statement of Profit and Loss consists of income other than fair value change

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions
The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities.

March 31, 2022	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	363.84	Net Worth of Investee Company	Instrument price
Equity shares in DMI Consumer Credit Private Limited	3.37	Net Worth of Investee Company	Instrument price
Compulsorily convertible debentures of Azad Engineering Private Limited	631.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	514.24	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	793.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	1,148.13	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	367.90	Discounted Projected Cash Flows	Discount margin / spread
Total	**4,038.64**		

March 31, 2021	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	312.78	Net Worth of Investee Company	Instrument price
Equity shares in DMI Consumer Credit Private Limited	3.27	Net Worth of Investee Company	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	497.68	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	304.40	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	826.47	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	120.76	Discounted Projected Cash Flows	Discount margin / spread
Total	**2,291.56**		

Quantitative analysis of significant unobservable inputs

Instrument price

Given the nature of this approach, there is no range of prices used as inputs.

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2022		March 31, 2021	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible preference shares in DMI Capital Private Limited	36.38	(36.38)	31.28	(31.28)
Compulsorily convertible debentures of Azad Engineering Private Limited	63.14	(63.14)	-	-
Total (A)	**99.52**	**(99.52)**	**31.28**	**(31.28)**
Instruments measured through FVTOCI				
Equity shares in DMI Consumer Credit Private Limited	0.34	(0.34)	0.33	(0.33)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.58	(21.58)	22.62	(22.62)
Credit Substitutes	2.38	(2.38)	7.17	(7.17)
Non-convertible debentures - unquoted	36.79	(36.79)	14.28	(14.28)
Equity shares in Flash Electronics Private Limited	79.40	(79.40)	30.44	(30.44)
Compulsory convertible debentures	114.81	(114.81)	82.65	(82.65)
Total (B)	**255.30**	**(255.30)**	**157.50**	**(157.50)**
Total (A+B)	**354.82**	**(354.82)**	**188.78**	**(188.78)**

The above analysis has been made without considering the impact of tax.

Fair value of financial instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

	March 31, 2022		March 31, 2021	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets:				
Loans and advances				
Corporate loans	13,120.52	13,120.52	12,151.09	12,151.09
Investments – at amortised cost				
Credit Substitutes	758.25	758.25	1,171.88	1,171.88
Financial liabilities:				
Debt securities	18,553.00	18,553.00	18,553.00	18,553.00

The carrying value of the financial instruments is near to the fair value, accordingly, the same has been considered for the disclosure above.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Borrowings - At Amortised cost
These includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Investments - At amortised cost
These includes Credit substitutes & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and liabilities other than above
The carrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

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54 Disclosures in accordance with RBI circular no. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and subsequent circular no. DNBR (PD) CC.No. 029/ 03.10.001/ 2014-15 dated April 10, 2015 and amendments thereof

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;
The Company is a private limited company registered with Reserve Bank of India as a Non- banking finance company vide certificate of registration no. 14.03176 dated January 5, 2009

ii) Ratings assigned by credit rating agencies and migration of ratings during the year;
During the year the following ratings have been assigned to the Company

(Amount in Rs. crores)

Name of the rating agency	Amount	Rating	Type of facility	At the beginning of year	Change during Year	Remarks
Brickwork Ratings	86.29	BWR AA-(Stable)	Bank loans	BWR AA-(Stable)	No Change	Reaffirmed on June 25, 2021. During the year Rating amount decreased from INR 900 Crores to INR 86.29 Crores
Brickwork Ratings	50	BWR AA-(Stable)	Non-convertible debentures	BWR AA-(Stable)	No Change	Reaffirmed on June 25, 2021. During the year, Rated amount decreased from Rs 180 Crores to Rs. 50 Crores
CARE Ratings	285	CARE AA-; Stable	Long-term bank facilities	CARE AA-; Negative	During the year Rating was Reaffirmed and Outlook revised to Stable	1) Reaffirmed and Outlook revised to Stable on April 5th 2021. Rating Amount was 900 INR Crores 2) Rating Reaffirmed on June 25th 2021, Rating amount Reduced from 900 Crores to 285 Crores 3) Rating Reaffirmed on March 29th 2022, Rating amount is 285 Crores
CARE Ratings	Nil	CARE AA-; Stable	Non-convertible debentures	CARE AA-; Negative	During the year Rating was Reaffirmed and Outlook revised to Stable, NCD Ratings was withdrawn on April 05, 2021	NCD Ratings was withdrawn on April 05, 2021
ICRA Ratings	300	(ICRA)A1+ (Stable)	Commercial paper	[ICRA]A1+ Stable	No Change	Rating Reaffirmed on April 20, 2021
ICRA Ratings	100	(ICRA)AA- (Stable)	Non-convertible debentures	[ICRA]AA- (Stable)	New Rating of [ICRA]AA- (Stable); Assigned on April 20, 2021	New Rating of (ICRA)AA- (Stable); Assigned on April 20, 2021
ICRA Ratings	750	(ICRA)AA- (Stable)	Fund based bank facilities	[ICRA]AA- (Stable)	New Rating of (ICRA)AA- (Stable); Assigned on April 20, 2021	New Rating of (ICRA)AA- (Stable); Assigned on April 20, 2021

iii) Penalties, if any, levied by any regulator;
No penalties have been levied by any of the regulators of the Company.

iv) Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries
The Company has its main operations in India situated in Delhi/NCR and also has offices situated in Mumbai, Hyderabad, Bengaluru and Kolkata. The Company has not entered into any joint ventures and does not have any overseas subsidiaries.

i) Capital to risk assets ratio (CRAR)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021
i) CRAR (%)	Adjusted Tier I and Tier II Capital	Risk weighted assets	61.31%	60.20%
ii) CRAR- Tier I capital (%)	Adjusted Tier I Capital	Risk weighted assets	57.46%	59.03%
iii) CRAR- Tier II capital (%)	Adjusted Tier II Capital	Risk weighted assets	3.85%	1.17%
iv) Amount of subordinated debt raised as Tier-II capital			-	-
v) Amount raised by issue of Perpetual Debt Instruments			-	-

Basis of Ratios

(Amount in Rs. crores)

	Year ended 31st March 2022	Year ended 31st March 2021
a. Adjusted Tier I Capital	3,571.77	3,340.19
b. Adjusted Tier II Capital	239.45	65.95
Total Capital	3,811.22	3,406.14
c. Risk weighted assets	6,216.50	5,658.16

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(All Amount in Rs. In millions, unless otherwise stated)

II) Investments

(Amount in Rs. crores)

Particulars	March 31, 2022	March 31, 2021
1) Value of Investments		
i) Gross Value of Investments (at cost)*		
a) In India	1,220.20	1,908.36
b) Outside India	-	-
ii) Provisions for Depreciation**		
a) In India	151.32	59.51
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	1,068.89	1,848.85
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening Balance	59.51	20.10
ii) Add: Provisions made during the year	91.81	39.42
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	151.32	59.51

*The Company has investment in FVOCI and FVTPL category, the fair valuation of which is included in the gross value of investment.

**Provision of depreciation comprises of impairment loss allowance on the investments

III) Derivatives

a. The Company does not deal in derivatives during the FY 2021-22 and FY 2020-21, therefore no details are to be disclosed

b. The derivatives do not include embedded derviatives as per IND AS 109.

c. **Exchange Traded Interest Rate (IR) Derivatives**

The Company have no dealings in exchange traded interest rate derivatives during the FY 2021-22 and FY 2020-21, therefore no details are to be disclosed.

d. **Disclosures on Risk Exposure in Derivatives**

The Company does not deal in derivatives therefore no details are to be disclosed.

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(All Amount in Rs. In millions, unless otherwise stated)

IV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Maturity Pattern of Assets and Liabilities as on March 31, 2022

(Amount in Rs. crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 days	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments*	-	-	570.99	-	-	-	-	125.55	18.67	284.50	**999.71**
Borrowings	-	-	11.67	20.23	52.26	107.20	484.71	1,988.52	108.17	-	**2,772.76**
Advances*	197.99	98.99	356.25	383.89	550.49	857.74	885.49	1,586.81	412.39	101.47	**5,431.51**
Corporate	-	-	257.26	11.87	224.11	59.45	175.82	837.76	378.11	101.46	**2,045.84**
Consumer	197.99	98.99	98.99	372.02	326.38	798.29	709.67	749.05	34.28	0.01	**3,385.67**
Other financial assets			118.77	0.04	20.86	11.16	7.42	-	-	2.56	**160.81**

Maturity Pattern of Assets and Liabilities as on March 31, 2021

(Amount in Rs. crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 days	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments*	-	-	1,457.48	-	52.68		-	-	-	108.38	**1,618.54**
Borrowings	-	-	2.16	13.75	18.01	13.39	24.92	1,905.30	12.49	-	**1,990.02**
Advances*	130.49	65.25	205.68	239.14	208.47	614.14	462.73	1,204.79	397.07	105.67	**3,633.43**
Corporate	-	-	140.44	8.34	12.68	211.34	118.90	717.31	365.92	105.67	**1,680.60**
Consumer	130.49	65.25	65.25	230.79	195.79	402.80	343.83	487.48	31.16	0.01	**1,952.84**
Other financial assets			245.73	-	127.15	1,542.70	100.00	1.35	3.92	15.00	**2,035.85**

* Investments do not include Credit Substitutes, same have been considered as Advances

V) Instances of fraud for the Year ended March 31, 2022

(Amount in Rs. crores)

	March 31, 2022				March 31, 2021			
Nature of fraud	**No. of cases**	**Amt. of fraud**	**Recovery**	**Amt. written off**	**No. of cases**	**Amt. of fraud**	**Recovery**	**Amt. written off**
Cash embezzlement	-	-	-	-	-	-	-	-
Loan given against fictitious documents	112.00	3.12	2.00	3.12	1.00	1.12	-	**1.12**
Fraud by external party	-	-	-	-	-	-	-	-
Fraud Committed by Customer	1.00	86.38	12.77	-	-	-	-	-

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VI) Exposures

A Exposure to Real Estate Sector

Category	(Amount in Rs. crores) March 31, 2022	March 31, 2021
a) Direct Exposure (includes loans and credit substitutes)		
i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	49.74	68.15
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	1,389.09	1,134.96
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
Residential	-	-
Commercial Real Estate	-	-
Total Exposure to Real Estate Sector *	**1,438.83**	**1,203.12**
**Includes exposure to sub-standards assets as well*		

B Exposure to Capital Market

Category		
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	428.72	191.03
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	573.66	406.48
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	1,002.38	597.51

C Details of financing of parent company products
The Company has not financed any parent company product during the current year and previous year — - | -

D Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
The Company has not exceeded any single or group borrower limits during the FY 2021-22 and FY 2020-21 as per prescribed RBI guidelines therefore no details are being provided — - | -

E Unsecured Advances
The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Additional Disclosures

VII) Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement Profit and Loss		
Provisions for depreciation on Investment	91.81	39.41
Provision towards NPA	7.31	(20.47)
Provision made towards income tax	64.51	34.41
Provision made towards deferred tax	(65.24)	(25.69)
Other provision and contingencies		
Provision for gratuity	0.98	0.57
Provision for compensated absences	1.07	1.31
Provision for Standard Assets	261.26	265.93

VIII) Draw Down from Reserves
The Company has not draw downed any amount from the Reserves during the current year and previous year

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(All Amount in Rs. In millions, unless otherwise stated)

		(Amount in Rs. crores)	
IX)	**Concentration of Deposits, Advances, Exposures and NPAs**	**March 31, 2022**	**March 31, 2021**
	Concentration of Deposits	-	-
	Concentration of Advances	-	-
	Total Advances to twenty largest borrowers	1,502.33	1,301.85
	Percentage of Advances to twenty largest borrowers to Total Advances	27.68%	35.83%
	Concentration of Exposures		
	Total Exposure to twenty largest borrowers / customers	1,502.33	1,332.29
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	27.68%	36.36%
	Concentration of NPAs**		
	Total Exposure to top four NPA accounts	106.51	119.84
	***Represent Stage III loans including interest*		
	Sector-wise NPAs**	**Percentage of NPAs to Total Advances in that sector**	
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	5.52%	8.47%
4	Services	-	-
5	Unsecured personal loans	0.20%	-
6	Auto loans	-	-
7	Other personal loans(Loan against Property)	-	-
	***Represent Stage III loans including interest*		
X)	**Movement of NPAs**	**(Amount in Rs. crores)**	
	Net NPAs to Net Advances (%)	0.31%	1.51%
	Movement of NPAs (Gross)		
	Opening balance	142.35	171.11
	Additions during the year	6.94	4.25
	Reductions during the year	29.67	33.01
	Closing balance	**119.62**	**142.35**
	Movement of Net NPAs		
	Opening balance	53.59	69.11
	Additions during the year	(151.20)	(32.34)
	Reductions during the year	(114.21)	(16.82)
	Closing balance	**16.60**	**53.59**
	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	88.76	102.00
	Provisions made during the year	158.15	36.59
	Write-off / write-back of excess provisions	143.88	49.83
	Closing balance	**103.02**	**88.76**

XI) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
The Company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported

XII) Off- Balance sheet SPVs sponsored
The Company does not have any Off- Balance sheet SPV, therefore no details to be reported

XIII)	**Customer Complaints**		
	No. of complaints pending at the beginning of the year	37	509.00
	No. of complaints received during the year	9,778	1,991
	No. of complaints redressed during the year	9,812	2,463
	No. of complaints pending at the end of the year	3	37
XIV)	**Disclosure of Gold Loan Portfolio**		
	Total Gold Loan Portfolio	-	-
	Total Assets	-	-
	Gold loan portfolio as % of Total Assets	-	-
XV)	**Disclosure of Gold Auction**		
	Number of loan accounts	-	-
	Outstanding Amount	-	-
	Value fetched on auctions	-	-

XVI) Details of Off balance sheet exposure
Refer note 44 for details of contingent liabilities and commitments

XVII)	**Loan accounts past due 90 days and not treated as Impaired**		
	Number of loan accounts	-	-
	Loan outstanding	-	-
	Overdue Amount	-	-

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XXII) Schedule to the Balance Sheet

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Amount in Rs. crores)

S.No		Particulars	Amount Outstanding	Amount Overdue
		Liabilities side		
1		**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
	a	Debentures : Secured	53.31	-
		Debentures : Unsecured	1,817.57	-
		(other than falling within the meaning of public deposits*)	-	-
	b	Deferred Credits	-	-
	c	Term Loans	872.35	-
	d	Inter corporate loans and borrowings	-	-
	e	Commercial Paper	-	-
	f	Public Deposit	-	-
	g	Other loans (lease liability)	27.64	-
2		**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)**		
	a	In the form of Unsecured debentures	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c	Other public deposits	-	-

		Assets side	Amount Outstanding
3		**Break-up of Loans and Advances including bills receivables ***	
	a	Secured	1,322.71
	b	Unsecured	3,357.41
4		**Break up of Leased Assets and stock on hire and other assets counting towards asset financing**	-
	1	Lease assets including lease rentals under sundry debtors	
	(a)	Financial lease	-
	(b)	Operating lease	-
	2	Stock on hire including hire charges under sundry debtors	
	(a)	Assets on hire	-
	(b)	Repossessed Assets	-
	3	Other loans counting towards asset financing activities	
	(a)	Loans where assets have been repossessed	-
	(b)	Loans other than (a) above	-
5		**Break up of investments**	
		Current Investments	
	1	**Quoted**	
	(i)	Shares	-
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others (Please specify)	-
	2	**Unquoted**	
	(i)	Shares	
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others	-

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Long Term Investments**

1	**Quoted**	
(i)	Shares	
	(A) Equity	-
	(B) Preference	-
(ii)	Debentures and Bonds	290.58
(iii)	Units of Mutual Funds	570.99
(iv)	Government Securities	-
(v)	Others (Please specify)	-
2	**Unquoted**	
(i)	Shares	
	(A) Equity	148.32
	(B) Preference	38.58
(ii)	Debentures and Bonds	-
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others - Units of Alternative Investment Fund & Security Receipts in Asset Reconstruction	20.42

6 **Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category		Amount net of provision		
		Secured	Unsecured	Total
a	Subsidiaries	-	-	-
b	Companies in the same group	-	-	-
c	other related parties	-	-	-
Other than related parties		1,322.71	3,357.41	4,680.11
Total				

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category		Market Value	Book value (net of provisions) #
Related Party			
a	Subsidiaries	85.04	85.08
b	Companies in the same group	0.85	0.85
c	other related parties	-	-
Other than related parties		1,134.31	982.99
Total		**1,220.20**	**1,068.92**

8 **Other information**

Particulars		Amount
Gross Non Performing Assets		
a.	Related parties	-
b.	Other than related parties	119.62
Net Non Performing Assets		
a.	Related parties	-
b.	Other than related parties	16.60

* Net of impairment loss allowance

** The Company has not disclosed the breakup of investment into long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

Book value is carrying value as per IND AS

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55 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

(i) Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time
The numerator of LCR is driven by the quantum and composition of High Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows.

(a) Composition of HQLA
HQLAs comprise of Cash and cash equivalents which include cash in hand and balances with scheduled commercial banks, including any fixed deposit with original maturity less than 3 months and liquid mutual funds.

(b) Unsecured and secured wholesale funding
Borrowing maturities falling due in the next 30 days form a major component of cash outflows. It includes all NCD, Term Loan & CC form of funding. Unsecured wholesale funding includes Unsecured NCDs.

(c) Outflows related to derivative exposures and other collateral requirements
During the reporting period, the Company did not have any derivative exposure.

(d) Other contractual funding obligations
Other contractual funding obligations are taken from other financial liabilities that includes, Trade Payable, Current tax liabilities, Other non-financial liabilities and other operating expenses that are not due shown in the Balance Sheet which are expected to be paid in the next 30 days.

(e) Other contingent funding obligations
Undrawn committed credit lines loans form a part of other contingent funding obligations.

(f) Secured lending
Secured Lending Inflows include the Principal inflows from the Wholesale Exposure of the Loan Book.

(g) Inflows from fully performing exposures
This head includes the Unsecured principal inflows from the Unsecured exposure of the loan book.

(h) Other inflows
For the LCR calculation, under other inflows, the major components are Interest Income, Penal Interest, Cash Income, PF Income, Trade receivables, balance with tax authorities which includes tax input credit and receivables from collection agencies and channel partners maturing in next 30 days.

(ii) Intra period changes and changes over time
The Company endeavors to maintain a healthy level of LCR at all points of time. The LCR table shows the movement of changes in each component over the reporting period. The average LCR moved from 14916% for the quarter ended June 30, 2021 to 6135% for the quarter ended March 31, 2022.

(iii) Concentration of funding sources
The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee of the Board (ALCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board. The Company maintains a robust funding profile, which is periodically monitored and reviewed by ALCO.

The Company has a diversified funding profile in the form of Bank term loans and Non-convertible debentures which are long-term in nature. Also, the Company has availed Working Capital Demand loan (WCDL) from various Banks. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of Investors / bankers who have funded the Company through various funding instruments.

(iv) Derivative exposures and collateral calls
The Company did not indulge in derivative trading activities and hence was not exposed to derivative and collateral call risk during the reporting period.

(v) Currency mismatches
The Company was not exposed to any major currency risk during the reporting period.

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(All Amount in Rs. In millions, unless otherwise stated)

(Amount in Rs. crores)

A. Liquidity coverage ratio	As at June 30, 2021		As at September 31, 2021		As at December 31, 2021		As at March 31, 2022	
	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount
High Quality Liquid Assets (HQLAs)	2,051.51	2,051.51	1971.10	1,971.10	1647.26	1,647.26	1,224.31	1,224.31
Total High Quality Liquid Assets (HQLA)	2,051.51	2,051.51	1,971.10	1,971.10	1,647.26	1,647.26	1,224.31	1,224.31
Cash Outflows								
Deposits (for deposit taking companies)								
Unsecured wholesale funding	8.26	8.26	8.35	8.35	8.35	8.35	7.72	7.72
Secured wholesale funding	1.02	1.02	3.57	3.57	7.86	7.86	15.46	15.46
Additional requirements, of which								
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	27.76	27.76	29.26	29.26	33.25	33.25	53.58	53.58
Other contingent funding obligations	-	-	-	-	-	-	-	-
TOTAL CASH OUTFLOWS	37.04	37.04	41.17	41.17	49.47	49.47	76.76	76.76
Cash Inflows								
Secured lending	27.20	27.20	34.20	34.20	34.20	34.20	257.26	257.26
Inflows from fully performing exposures	232.58	232.58	257.06	257.06	337.19	337.19	395.97	395.97
Other cash inflows	64.11	64.11	69.00	69.00	79.95	79.95	95.44	95.44
TOTAL CASH INFLOWS	323.89	323.89	360.25	360.25	451.34	451.34	748.67	748.67
Total HQLA	2,051.51	2,051.51	1,971.10	1,971.10	1,647.26	1,647.26	1,224.31	1,224.31
Total net cash outflows	10.65	10.65	11.84	11.84	14.22	14.22	22.07	22.07
Liquidity coverage ratio (%)	19264%	19264%	16653%	16653%	11583%	11583%	5548%	5548%
Average liquidity coverage ratio (%)	14916%	14916%	13914%	13914%	9434%	9434%	6135%	6135%

Notes:

1 The components of LCR is arrived at by taking a stock approach whereby from the month end outstanding of each component (as financial records), the portion expected to be paid in the next 30 days is considered.

2 Interest accrued but not due to be paid for the subsequent month is considered.

GURUGRAM

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

Year ending March 31, 2021

S.No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

1) The outstanding amount and number of borrowers as at March 31, 2022 is after considering recoveries made during the year.
2) CDR restructuring segment is nil.
3) The above details have been provided for cases restructured other than restructuring under COVID resolution frameworks for the respective years.
Details related to restructuring under the COVID resolution frameworks have been provided in respective notes of both frameworks (refer note 56 (b) and 56 (c)).

DMI FINANCE PVT. LTD. NEW DELHI

S. N. DHAWAN & CO. LLP GURUGRAM

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

Year ending March 31, 2021

S.No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

1) The outstanding amount and number of borrowers as at March 31, 2022 is after considering recoveries made during the year.
2) CDR restructuring segment is nil.
3) Restructure details related to COVID have been given in respective notes of both frameworks.

DMI FINANCE PVT. LTD. NEW DELHI

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

B Liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 31, 2022 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

i) Funding concentration based on significant counterparty (refer note 1 below) (Amount in Rs. crores)

Number of significant counterparties	Number of counterparties	Amount*	% of Total deposits	% of Total liabilities
As at 31 March 2022	12	2,737.79	-	93.66%
As at 31 March 2021	3	1,959.33	-	93.35%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

There are no deposits accepted by the Company during the year as Company is non-deposit taking NBFC.

iii) Top 10 borrowings (Amount in Rs. crores)

	Number of parties	Total amount of top 10 borrowings *	Percentage of amount of top 10 borrowings to total borrowings
As at 31 March 2022	10	2,680.51	96.84%
As at 31 March 2021	8	1,989.00	100.00%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

iv) Funding Concentration based on significant instrument/product (refer note 2 below) (Amount in Rs. crores)

Nature of significant instrument/product	As at March 31, 2022		As at March 31, 2021	
	Amount*	% of Total liabilities	Amount*	% of Total liabilities
Non-convertible debentures	1,870.87	64.00%	1,870.81	89.14%
Term loans	872.35	29.84%	118.19	5.63%
Total	**2,743.22**	**93.84%**	**1,989.00**	**94.77%**

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

v) Stock ratios: (Amount in Rs. crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amount	% of Total public funds	% of Total liabilities	% of Total assets	Amount	% of Total public funds	% of Total liabilities	% of Total assets
Commercial papers	-	-	-	-	-	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-	-	-
Other short-term liabilities (refer note 20 and note 3 below)	248.43	8.30%	8.50%	3.67%	-	-	-	-

	As at March 31, 2022	As at March 31, 2021
Total public funds (refer note 4 below)	2,991.65	1,989.00
Total liabilities	2,923.15	2,098.82
Total assets	6,771.24	5,584.21

Note

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.

4) Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

vi) Institutional set-up for liquidity risk management

Refer note 52(A): Risk management structure and 52(B) Liquidity risk and funding management for institutional set-up for liquidity risk management.

S N DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
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56 (a) Additional disclosures pursuant to para 25 of Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016:

Year ending March 31, 2022

S. No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-

56 (b) The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.
During the previous year the Company has restructured loan assets in accordance with the RBI circular RBI/2021-22/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution framework - 1.0) as presented in below table:

(Amount in Rs. crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) of (B) , aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loan					
Of which, MSMEs	19	1.63	-	-	-
Others	68,798	162.49	-	-	11.11
Corporate persons*	-	-	-	-	-
Total	68,817	164.12	-	-	11.11

(Amount in Rs. crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A) 31/3/21	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year 31/3/22
Personal loans					
Of which MSMEs	1.79	-	0.02	0.84	0.92
Others	133.28	-	54.38	49.02	29.88
Corporate Persons*	-	-	-	-	-
Total	135.07	-	54.40	49.86	30.80

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

56 (c) During the year the Company has restructured loan assets in accordance with the RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution framework - 2.0) as presented in below table:

(Amount in Rs. crores)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process (Number)	1,789	-	27
(B)	Number of accounts where resolution plan has been implemented under this window (Number)	1,789	-	27
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	10.86	-	1.10
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	1.09	-	0.01

(Amount in Rs. crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30/09/21	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year 31/3/22
Personal loans					
Of which MSMEs	1.15	-	-	0.41	0.74
Others	10.55	0.16	0.57	3.15	6.83
Corporate Persons*	-	-	-	-	-
Total	11.70	0.16	0.57	3.56	7.57

56 (d) Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions,2021 in terms of RBI circular RBI/DOR/2021-22 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021:

(Amount in Rs. crores)

S. No.	Particulars	During the year ended March 31,2022
1	Details of loans not in default that are transferred or acquired	Nil
2	Details of stressed loans transferred or acquired	Nil

S. DHAWAN & CO. LLP & ASSOCIATES ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

57 (a) Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.
57 (b) The standalone financial statements for the year ended March 31, 2021 were audited by previous statutory auditors Walker Chandiok and Co LLP.
57 (c) There are no event observed after the reported period which have an impact on the Company's operation.
57 (d) The financial statements were approved for issue by Board of Directors on May 20, 2022.
57 (e) Disclosure on significant ratios:

Particulars	Description	As at March 31, 2022	As at March 31, 2021
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities)]/Total equity	0.72	0.57
Net profit margin	Net profit after tax / total revenue from operations	6.45%	2.96%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	40.64%	35.34%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	2.18%	3.81%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	0.31%	1.51%
Asset cover ratio (number of times)	Amount of secured assets / Secured debt	1.79	1.45
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	86.13%	62.36%

58 Pursuant to RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15,2022 related to extension of Para 10 with respect to upgradation of account classified as NPA of Circular DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, the Company has opted for the deferment till September 30,2022 to put in place the necessary system to implement.

59 **Other Statutory Information**

1 During the current financial year, Company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

2 No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2022.

3 There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the income tax act, 1961.

4 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5 The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

9 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

10 There are no transactions of undisclosed income not recorded in the books of accounts.

11 The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

12 The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

13 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

S.N. DHAWAN & CO. LLP GURUGRAM

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Notes to the Standalone Financial Statements for the year ended March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

60 Events occurring after reporting date

There are no significant events after the reporting period which require any adjustment or disclosure in the financial

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

Place
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place
Date: 20 May 2022

Sahil Pahwa
(Company Secretary)
M. No. A24789
Place
Date: 20 May 2022

S.N. Dhawan & CO LLP
Chartered Accountants

2nd floor, 51-52, Sector 18,
Phase IV, Udyog Vihar, Gurugram,
Haryana 122016, India

Tel: +91 124 481 4444

Independent Auditor's Report

To the Members of
DMI Finance Private Limited
Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DMI Finance Private Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at 31 March, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements") and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate referred to on the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March, 2022, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For We have determined the matter described below to be the key audit matter to be communicated in our report:

Key audit matters	How our audit addressed the key audit matters
(a) Impairment of financial assets as at balance sheet date (expected credit losses)	
Ind AS 109 requires the Holding Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: Staging of loans [i.e., classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; Estimation of behavioral life; Determining macro-economic factors impacting credit quality of receivables; Estimation of losses for loan products with no/ minimal historical defaults	Read and assessed the Holding Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Holding Company for loan products with inadequate historical defaults. Tested assumptions used by the Management in determining the overlay. Assessed disclosures included in the standalone financial statements in respect of expected credit losses
(b) IT and system controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Holding Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be	We tested the design and operating effectiveness of the Holding Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized.

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Key audit matters	How our audit addressed the key audit matters
designed and to operate effectively to ensure reliable financial reporting.	We tested the Holding Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information other than the consolidated financial statements and auditor's report thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read information included in Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors Responsibilities relating to other information'.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

1. We did not audit the financial statements of three subsidiaries whose financial statements reflects total assets (after eliminating intra-group transactions) of Rs. 751.45 millions as at 31 March, 2022, total revenue (after eliminating intra-group transactions) of Rs. 144.56 millions for the year ended 31 March, 2022, net profit after tax of Rs. 47.00 millions for the year ended 31 March, 2022 total comprehensive income of Rs. 47.59 millions for the year ended 31 March, 2022 and net cash inflow of Rs. 238.73 millions for the year ended 31 March, 2022, as considered in the Consolidated Financial Results. The Statement also include the Group's share of net loss after tax of Rs. 3.57 millions for the year ended 31 March 2022 total comprehensive loss of Rs.3.57 millions for the year ended 31 March 2022 as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. The financial statements of these subsidiaries and associate have been audited by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the report of such auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The comparative financial information of the consolidated financial statements of the Company for the year ended 31 March, 2021 were audited by predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on 03 September 2021.

Our opinion is not modified in respect of above matters.

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Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the **'Annexure A'** a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate, none of the directors of the Group companies and its associate company is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its associates and the operating effectiveness of such controls, refer to our separate report in **'Annexure B'.**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements of the subsidiaries and associate, the remuneration paid by the Holding Company and its subsidiaries and associate to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associate as noted in the 'Other matter' paragraph:

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i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate– Refer Note 45 to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 45 to the consolidated financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

iv.

(a) The respective managements of the Holding Company and its subsidiaries and associate, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and its associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries and its associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 53 to the consolidated financial statements.

(b) The respective managements of the Holding Company and its subsidiaries and its associate whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and its associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 53 to the consolidated financial statements.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act , nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

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v. The Holding Company and its subsidiaries and its associate have not declared or paid any dividend during the year and have not proposed final dividend for the year

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701

UDIN: 22087701AJHJIV4341

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 20 May, 2022

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of DMI Finance Private Limited on the financial statements as of and for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries and associate, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

S. No.	Name	CIN	Holding Company Subsidiary/associate	Clause number of the CARO report which is qualified or adverse
1	Appnit Technologies Private Limited	U72900UP2014PTC063266	Subsidiary	Clause iii (a) to (f), iv, vii (a) and ix(a)

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701

UDIN: 22087701AJHJIV4341

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 20 May, 2022

Annexure B

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Holding company as of and for the year ended 31 March, 2022, we have audited the internal financial controls with reference to financial statements of DMI Finance Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Holding Company's business, including adherence to the respective company's policies, the safeguarding of the Holding Company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

S.N. DHAWAN & CO. LLP * GURUGRAM * CHARTERED ACCOUNTANTS

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries and its associate, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2022, based on internal control over financial reporting criteria.

S.N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

Other matter

9. Audit reports of three subsidiaries and one associate does not include Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Act ('the Report on internal financial controls'), since in their opinion, the said report on internal financial controls is not applicable to these Companies basis the exemption available to these companies under MCA notification no. G.S.R. 583(E) dated 13 June 2017, read with corrigendum dated 13 July 2017 on reporting on internal financial controls over financial reporting. Our report on internal financial controls with reference to financial statements in respect of these subsidiaries and associate are based on Management assessment of the internal controls over financial reporting as furnished to us by the Management.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 22087701AJHJIV4341

Place: Gurugram
Date: 20 May, 2022

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Consolidated Balance Sheet as at March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,829.64	2,533.91
Bank balance other than cash and cash equivalents	5	294.66	267.21
Trade receivables	6	61.03	62.11
Loans	7	46,801.15	31,097.73
Investments	8	10,289.57	18,551.05
Other financial assets	9	1,610.08	2,037.35
Total financial assets		65,886.13	54,549.36
Non-financial assets			
Current tax assets (net)	10	296.13	232.47
Deferred tax assets (net)	11	880.14	633.87
Property, plant and equipment	12	104.64	116.23
Capital work in progress	13	23.27	
Goodwill	14	253.53	
Right to use assets	15	234.95	210.71
Other intangible assets	16	31.41	22.80
Other non- financial assets	17	204.91	103.27
Total non-financial assets		2,028.98	1,319.35
Assets held for sale	18	143.88	189.85
TOTAL ASSETS		68,058.99	56,058.56
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
A) Trade payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		94.79	110.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		697.23	416.80
B) Other payables	19		
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		379.87	228.80
Debt securities	20	18,552.27	18,551.69
Borrowings (other than debt securities)	21	8,988.07	1,181.19
Lease liabilities	22	276.36	242.29
Other financial liabilities	23	162.87	158.33
Total financial liabilities		29,151.46	20,889.85
Non financial liabilities			
Provisions	24	86.60	57.50
Other non-financial liabilities	25	103.51	48.06
Total non-financial liabilities		190.11	105.56
EQUITY			
Equity share capital	26	6,567.00	6,436.58
Other equity	27	32,121.29	28,626.57
Equity attributable to equity shareholders of the company		38,688.29	35,063.15
Non Controlling Interest	28	29.13	
Total Equity		38,717.42	35,063.15
TOTAL LIABILITIES AND EQUITY		68,058.99	56,058.56

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

Place: New Delhi
Date: 20 May 2022

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

Krishan Gopal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Sahil Pahwa
(Company Secretary)
M. No. A24789
Place: New Delhi
Date: 20 May 2022

DMI Finance Private Limited

Consolidated Statement of profit and loss for the year ended March 31, 2022

(All Amount in Rs. in millions, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	29	7,837.41	6,916.49
Fees and commission income	30	235.25	81.39
Net gain on fair value changes	31	963.40	587.60
Total revenue from operations		9,036.06	7,585.48
Other income	32	163.05	103.74
Total income		9,199.11	7,689.22
Expenses			
Finance costs	33	1,916.53	1,891.68
Fees and commission expense	34	677.01	903.63
Impairment on financial instruments	35	3,411.93	2,848.74
Employee benefits expense	36	860.77	703.27
Depreciation, amortization and impairment	37	99.43	79.12
Other expenses	38	1,428.24	941.68
Total expenses		8,393.90	7,368.12
Profit before share of profit of associate and tax		805.21	321.10
Tax expense/ (credit):			
(1) Current tax	48	676.15	348.13
(2) Deferred tax	48	(457.54)	(256.80)
Income tax expense		218.61	91.33
Net profit for the year		586.60	229.77
Add: Share of Profit/(Loss) of associate		(3.57)	39.51
Net Profit after Taxes		583.03	269.28
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		1.30	2.45
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		837.53	
Income tax relating to above		(211.13)	(0.61)
Subtotal (a)		627.70	1.84
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value changes		0.57	4.21
Income tax relating to above item		(0.14)	(1.06)
Subtotal (b)		0.43	3.15
Other comprehensive income		628.12	4.99
Total comprehensive income for the year		1,211.15	274.27
Profit for the year attributable to:			
Owners of the company		583.03	269.28
Non- controlling interests		-	-
		583.03	269.28
Other comprehensive income/(loss) for the year attributable to:			
Owners of the company		628.12	4.99
Non- controlling interests		-	-
		628.12	4.99
Total comprehensive income/(loss) for the year attributable to:			
Owners of the company		1,211.15	274.27
Non- controlling interests		-	-
		1,211.15	274.27
Earnings per equity share (face value of Rs. 10 per share)	39		
Basic (Rs.)		0.83	0.42
Diluted (Rs.)		0.81	0.39

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

Place: New Delhi
Date: 20 May 2022

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chandra Singh
(Jt. Managing Director)
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

Krishan Gopal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Shalib Pahwa
(Company Secretary)
M.No. A24789
Place: New Delhi
Date: 20 May 2022

DMI Finance Private Limited
Statement of Consolidated Cash Flows for the Year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities:		
Profit before tax	805.21	321.10
Adjustments for		
Depreciation and amortisation	99.43	79.12
Net gain on fair value changes	(963.40)	(587.60)
Impairment on financial instruments	3,411.93	2,848.74
Interest expense for leasing arrangements	16.09	31.02
Effective interest rate adjustment for financial instruments	12.76	15.81
Asset held for sale written off	45.97	
Employee stock option/share warrant expense	79.02	75.78
Operating profit before working capital changes	3,507.01	2,783.97
Changes in working capital		
(Increase) in financial and other assets	(18,445.42)	(2,004.44)
Increase in financial and other liabilities	420.09	209.21
(Increase)/Decrease in non financial assets	(87.21)	6.59
Increase in non financial liabilities	85.84	140.01
Total of changes in working capital	(18,026.70)	(1,648.63)
Direct taxes paid (net of refunds)	(739.81)	(410.53)
Net cash flow generated from / (used in) operating activities (A)	(15,259.50)	724.81
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(68.88)	(30.64)
Purchase of investment (net)	1,565.71	(2,951.65)
Movement of fixed deposits (net)	(27.45)	(252.01)
Net cash flow from / (used in) investing activities (B)	9,469.38	(3,234.30)
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	2,342.62	9,791.22
Proceeds from debt securities	-	500.00
Proceeds from bank borrowings	8,872.74	700.00
Repayment of debt securities	-	(1,750.00)
Repayment of bank borrowings	(1,078.04)	(7,355.33)
Lease payments	(57.10)	(55.18)
Net cash flow generated from financing activities (C)	10,080.22	3,830.71
Net increase in cash and cash equivalents (A+B+C)	4,290.10	1,321.22
Cash and cash equivalents as at the beginning of the year	2,533.91	1,212.69
Cash and cash equivalents on the date of acquisition in the subsidiary	5.63	
Cash and cash equivalents at the end of the year	6,829.64	2,533.91

Notes:

1) Components of cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.10	0.08
Balance with banks		
In current accounts	4,470.25	2,164.03
In cash credit	1,359.29	369.80
deposits with original maturity of less than 3 months	1,000.00	
Total cash and cash equivalents	6,829.64	2,533.91

2) Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement"

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 46

4) Value of assets and liabilities on acquisition of subsidiary have been included in movement of respective assets and liabilities

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No 087701

Place:
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182743

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02023460

Place:
Date: 20 May 2022

Yuvraj Chandra Singh
(Jt. Managing Director)
DIN: 10501179

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

(Company Secretary)
M. No. A5-4780
Place:
Date: 20 May 2022

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(All Amount in Rs. in millions, unless otherwise stated)

A. Equity share capital (refer note 20)

For the year ended 31 March 2022

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
Balance as at April 01, 2021	69,93,50,933	6,436.54
Changes in Equity Share Capital due to prior period errors		-
Restated balance at 1 April 2021	69,93,50,933	6,436.54
Issue of share capital (Note 25)	1,30,42,456	130.42
At 31 March 2022	71,23,93,421	6,567.09

For the year ended 31 March 2021

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
At 1 April 2020	61,62,94,566	5,592.94
Changes in Equity Share Capital due to prior period errors		-
Restated balance at 1 April 2020	61,62,94,566	5,592.94
Issue of share capital	8,30,55,367	843.64
As at 31 March 2021	69,93,50,933	6,436.53

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital redemption reserve	Upfront monies received on Share warrants	Retained earnings	Remeasurement (gain/(loss) on defined benefit plan	Gain/(loss) on Fair value changes (Debt and Equity)	Total other comprehensive income	Attributable to owners of the company	Non-controlling interests	Total
Balance as on April 1, 2020	932.54	14,549.77	96.38	-	81.21	-	3,845.10	(0.72)	53.57	52.85	19,330.85	-	19,330.85
Profit for the year			-				269.28				269.28	-	269.28
Other Comprehensive Income for the year								1.84	3.15	4.99	4.99		4.99
Share options exercised during the year			74.37					-			74.37		74.37
Premium on issue of equity shares		3,347.56									3,347.56		3,347.56
Transfer to statutory reserve	44.82						(44.82)			-			
Balance as on March 31, 2021	977.46	23,495.35	170.95		81.21	-	3,873.70	1.12	56.72	57.84	28,526.57	-	28,526.57
Profit for the year							563.03				563.03	-	563.03
Other Comprehensive Income for the year							-	0.97	627.15	628.12	628.12	-	628.12
Transfer to special reserve	116.61						(116.61)					-	-
Share options exercised during the year		-	46.07					-			46.07	-	46.07
Upfront Monies on Share Warrant received during the year				-	-	0.50					0.50	-	0.50
Transfer to Share Warrant reserve				32.44	-						32.44	-	32.44
Premium on issue of equity shares		2,212.20			-				-	-	2,212.20	-	2,212.20
Non-controlling interests on acquisition (refer Accent Technologies Private Limited					-							29.33	29.33
(refer note 44) subsequent acquisition in Subsidiary					-	-	(7.64)				(7.64)	-	(7.64)
Balance as on March 31, 2022	1,094.07	25,707.55	187.02	32.44	81.21	0.50	4,337.58	2.09	683.87	685.96	32,132.29	29.33	32,150.42

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vineet Jain
Partner
Membership No. 067791

Place: New Delhi
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shailendra Chamaria
DI, Managing Director
DIN: 02623461

Place: New York
Date: 20 May 2022

Kumar Chamaria Singh
DI, Managing Director
DIN: 01821174

Place: New Delhi
Date: 20 May 2022

Gautam Goyal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Sakshi Parwal
(Company Secretary)
M. No. 42499

Place: New Delhi
Date: 20 May 2022

S.N. DHAWAN & CO LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

1 **Corporate Information**

DMI Finance Private Limited is a Private Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification Number is (CIN) U65929DL2008PTC187749 on September 02, 2008.

The Company is engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC ND) on January 05, 2009 vide registration No. RBI N-14.03176. The Holding company together with it' subsidiaries listed in Note 2(e)(ii) are hereinafter collectively referred to as 'the Group'. Information on subsidiaries included in consolidated financial statements is given in Note 2(e)(ii)

The registered office of the Company is located at Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg New Delhi

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 May, 2022

2 **Basis of preparation of Financial Statements**

a) **Statement of compliance**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS' or 'the Accounting Standards') notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act

All amount disclosed in the consolidated financial statements and notes have been rounded off to the nearest Rupees millions as per the requirements of Schedule III, unless otherwise stated.

b) **Basis of preparation and presentation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company and deposit taking company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Group had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP') The financial statements are presented in Indian Rupees (INR) and all values are rounded to the millions, except when otherwise indicated

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

c) **Basis of measurement**

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value

d) **Presentation of financial statements**

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

e) **Principles of Consolidation**

(i) Subsidiaries

The consolidated financial statements have been prepared on the following basis:

Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controlling stakeholders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(ii) Investment in Associates

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investment in associates are accounted using the equity method. Goodwill relating to associate is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost
and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying
amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates' in the consolidated statement of profit and loss.

iii) The consolidated financial statements include results of the following subsidiaries and associate of the Holding Company, consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'

Name of the Company	Country of Incoporation	Proportion of ownership as at reporting date	Consolidated as
DMI Capital Private Limited	India	100%	Subsidiary
DMI Management Private Limited	India	100%	Subsidiary
DMI Alternatives Private Limited	India	49%	Associate
Appnit Technologies Private Limited	India	94.04%	Subsidiary

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

3.1 Summary of significant accounting policies

a) Use of estimates,judgements and assumptions

The preparation of consolidated financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of Current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes.

I. Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how Group's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

II. Impairment of financial assets

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Group makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, levelof arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 2.1 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at March 31, 2022

III. Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

IV. Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

V. Effective interest Rate ('EIR') method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate andother fee income/expense that are integral parts of the instrument.

vi. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet

c) Revenue recognition

i. Interest Income

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

The EIR (and therefore, the amortised cost of the assets) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest Income in the Statement of Profit and loss

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extant recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income.

ii. Income other than interest

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognitionguidance found within Ind ASs.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

A. Fee and commission income

All other financial charges such as cheque return charges, legal charges, collection charges etc are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

B. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as anunrealised gain/loss. In cases there is a net gain in the aggregate,the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

C. Other Income

Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date. The Group also recognises gain on fair Value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

D. Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) Intangible Assets

(i)Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can bemeasured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(ii) Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable
assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as "Asset held for sale" and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

f) Depreciation and amortization

Depreciation

Depreciation on property, plant and equipment's is calculated on written down value (WDV) basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particulars	Useful Life (years)
Furniture and Fixtures	10
Vehicle	8
Computer, printers	3-6
Office Equipment	5

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.
Salvage Value of the assets has been taken five percent of Original Cost (except intangible assets) as prescribed in Schedule II.
Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

Amortization

The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Group amortizes the intangible asset over the best estimate of its useful life.

g) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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h) Leases

i. Company as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset
- The Group has substantially all the economic benefits from use of the asset through the period of the lease and
- The Group has the right to direct the use of the asset

ii. Measurement and recognition:

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term Lease:
The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months. The Group recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

iii. Group as a lessor:
As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not

i) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Contingent liabilities and assets

i. Contingent liabilities
The Group does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

ii. Contingent assets
Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

k) Employee benefits

i. Defined contribution plan
The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined benefit plan
The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

iii. Compensated absences
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

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l) Foreign currencies

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise

m) Taxes

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, sharesplit, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

I. Financial Assets

A. Initial recognition and measurement

The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Group measures bank balances, loans and advances, trade receivables and other financial instruments at amortised cost

B. Classification and subsequent measurement

The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement , financial assets are classified in three categories:
- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)

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C. **Debt instruments at amortised costs**

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

D. **Debt instruments at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

E. **Debt Instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTP .

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, where the Group's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Group's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

F. **Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

II. **Equity Investments and Mutual funds**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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III. Financial Liabilities

A. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss

The Group's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

B. Loans, Debenture and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

C. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

D. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

E. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

G. Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

H. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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i. **Impairment of financial assets**

i. Overview of the impairment principles ('ECL')

In accordance with Ind AS 109, the Group is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Group is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Group is required to recognize credit losses over next 12 month period. The Group has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Group has a process to assess credit risk of all exposures at each year end as follows:

Stage I
These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Group has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Group measures ECL on such assets over next 12 months.

Stage II
Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Group classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Group measures lifetime ECL on stage II loans.

Stage III
All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Group measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

ii. The calculation of ECLs

The mechanics of the ECL calculation involve the use of following key elements:
Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Group.
Exposure at default (EAD) – It represents an estimate of the exposure of the Group at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAS by the Group. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.
Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Group uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

iii. Definition of Default and cure

The Group considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Group may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Group also considers a variety of instances that may indicate delay in or non repayment of the loan. When such events occur, the Group carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

iv. Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded gin the methodology to reflect such macro-economic trends reasonably.

v. Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

vi. Collateral repossessed

The Group's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is less at repossession date.

p) **Share based payments**

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

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r) **Interest in Subsidiaries and associate entities**

Investment in subsidiaries and associate entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of that investment is assessed and written down value immediately to its recoverable amount. On disposal of investment in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

s) **Borrowing Cost**

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.2 **Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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DMI Finance Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

4 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.10	0.08
Balance with banks		
- balance in cash credit and overdraft accounts	1,359.29	369.80
- balance in current accounts	4,470.25	2,164.03
- deposits with original maturity of less than 3 months	1,000.00	-
	6,829.64	2,533.91

* Includes balance in ICICI Bank Escrow account is maintained as per guidelines of Reserve Bank of India for operating Semi closed Prepaid Payment Instrument applicable on one of the subsidiary acquired during the year and can be used only for the specified purposes.

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months*	294.66	267.21
	294.66	267.21

* Deposits being lien marked against corporate credit cards, overdraft accounts

6 Trade receivables

Unsecured considered good	61.03	62.11
	61.03	62.11
Less: Impairment loss allowance	-	-
Total	61.03	62.11

Trade receivables from related parties (see note 41)

Trade receivables Ageing Schedule

As at 31 March 2022

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	57.17	-	-	-	3.86	61.03
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
	57.17	-	-	-	3.86	61.03

As at 31 March 2021

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	62.11	-	-	-	-	62.11
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	62.11	-	-	-	-	62.11

Note: The ageing of trade receivables has been determined from the transaction date.

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7 Loans

	As at March 31, 2022			As at March 31, 2021		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans*	15,680.69	367.90	16,048.60	13,723.71	142.83	13,866.54
Consumer loans	33,856.86	-	33,856.86	19,253.66	-	19,253.66
Total (A) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (A) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73

* Corporate loan portfolio includes loan outstanding from employees of Rs. 1.72 millions (previous year: Rs. 12.14 millions)

(B)						
Secured by tangible assets and intangible assets	15,680.69	367.90	16,048.60	13,723.71	142.83	13,866.54
Unsecured	33,856.86	-	33,856.86	19,253.66	-	19,253.66
Total (B) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (B) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73

(C) Sector						
Public sector	-	-	-	-	-	-
Others	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Total (C) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (C) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73

(D)						
In India	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Outside India	-	-	-	-	-	-
Total (D) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (D) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73

Notes:

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Holding Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) The Holding Company has granted certain loans to employees amounting to Rs. Nil in current year (previous year: Rs. 12.14 millions).

iv) Corporate loan portfolio includes non-convertible debentures of Rs. 3,774.76 millions (previous year: Rs. 2,385.18 millions).

v) Disclosure in respect to loan given to Key management personnel (KMP)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Key management personnel (KMP)	-	0.48	NA	4.00%

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7.1 **Impairment allowance for loans and advances to borrowers**

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	32,855.94	931.47	69.45	33,856.86	17,909.93	1,344.73	-	19,25[illegible]
Less: Impairment loss allowance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.0[illegible]
Net carrying amount	**32,571.74**	**702.71**	-	**33,274.45**	**17,827.46**	**1,022.19**	-	**18,849.6[illegible]**

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	15,080.82	192.95	774.83	16,048.60	12,794.98	-	1,071.56	13,866.5[illegible]
Less: Impairment loss allowance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.4[illegible]
Net carrying amount	**13,225.26**	**167.67**	**133.78**	**13,526.70**	**11,813.94**	-	**434.13**	**12,248.0[illegible]**

Summary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,066.97	-	351.99	4,418.95	2,265.67	280.64	351.99	2,898.2[illegible]
Less: Impairment loss allowance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.1[illegible]
Net carrying amount	**2,873.64**	-	**32.13**	**2,905.77**	**1,923.40**	**278.07**	**101.70**	**2,303.1[illegible]**

An analysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**17,909.93**	**1,343.73**	-	**19,253.66**	**20,656.64**	**1,193.85**	**290.78**	**22,141.2[illegible]**
New Assets originated, Netted off for repayments and loans derecognised during the year	15,164.63	(574.39)	12.96	14,603.20	(2,114.24)	(483.70)	(283.67)	(2,887.6[illegible]
Transfers from Stage 1	(235.19)	193.76	41.43	-	(678.04)	678.04	-	-
Transfers from Stage 2	16.56	(31.62)	15.06	-	44.80	(44.80)	-	-
Transfers from Stage 3	-	-	-	-	0.77	0.34	(1.11)	-
Gross carrying amount closing balance	**32,855.94**	**931.47**	**69.45**	**33,856.86**	**17,909.93**	**1,344.73**	-	**19,253.66**

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**12,794.98**	-	**1,071.56**	**13,866.54**	**10,282.55**	**1,216.12**	**1,081.34**	**12,582.01**
New Assets originated, Netted off for repayments and loans derecognised during the year	2,478.79	-	(296.73)	**2,182.06**	1,294.31		(9.78)	**1,284.53**
Transfers from Stage 1	(192.95)	192.95	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	1,216.12	(1,216.12)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**15,080.82**	**192.95**	**774.83**	**16,048.60**	**12,794.98**	-	**1,071.56**	**13,866.54**

An analysis of changes in the gross carrying amount of investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,265.67**	**280.64**	**351.99**	**2,898.29**	**2,187.67**	-	**338.00**	**2,526.67**
New Assets originated, Netted off for repayments and loans derecognised during the year	1,520.66	-	-	**1,520.66**	358.64	-	12.99	**371.63**
Transfers from Stage 1	-	-	-	-	(280.64)	280.64	-	-
Transfers from Stage 2	280.64	(280.64)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**4,066.97**	-	**351.99**	**4,418.95**	**2,265.67**	**280.64**	**351.99**	**2,898.29**

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	82.47	321.54	-	404.01	206.57	142.66	290.78	640.0
Change in ECL due to change in ECL model rate	10.86	47.00	52.69	110.55	(19.25)	102.71	-	83.4
New Assets originated, Netted off for repayments and loans derecognised during the year	279.75	(172.17)	1,372.30	1,479.88	(101.99)	(75.44)	1,511.09	1,333.6
Transfers from Stage 1	(89.01)	47.59	41.43	-	(3.07)	162.25	-	159.1*
Transfers from Stage 2	0.14	(15.20)	15.06	-	0.20	(10.72)	-	(10.5
Transfers from Stage 3	-	-	-	-	0.00	0.08	-	0.0
Write Offs	-	-	(1,412.03)	(1,412.03)	-	-	(1,801.87)	(1,801.8)
Gross carrying amount closing balance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.0

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	981.04	-	637.43	1,618.46	152.19	26.24	551.34	729.7
Change in ECL due to change in ECL model rate	543.93		30.44	574.37	395.60		88.29	483.8
New Assets originated, Netted off for repayments and loans derecognised during the year	355.88	-	(26.81)	329.07	407.01	-	(2.21)	404.8
Transfers from Stage 1	(25.29)	25.29	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	26.24	(26.24)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.4

An analysis of changes in the ECL allowances of investment in relation to Credit Substitutes and Compulsory Convertible Debentures (refer note 8) is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.9
Change in ECL due to change in ECL model rate	531.15	-	69.56	600.71	280.93		68.52	346.5
ECL on new assets originated, netted off for repayments and loans derecognised during the year	317.35	-	-	317.35	40.79	0.05	6.82	47.6
Transfers from Stage 1	-	-	-	-	(2.57)	2.57		-
Transfers from Stage 2	2.57	(2.57)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12

7.2 Collateral

In case of corporate term loans the Group is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others

In its normal course of business, the Group does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments.

Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property i disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2022	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Equity method	Total
(A)						
Equity instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	126.30	126.30
Subtotal	-	-	-	-	126.30	126.30
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	3.37
Equity shares in Flash Electronics Private Limited	-	-	793.97	793.97	-	793.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Subtotal	-	-	1,047.60	1,047.60	-	1,047.60
Mutual funds						
234,062.94 Baroda BNP Paribas Liquid Fund - Direct Growth	-	574.14	-	574.14	-	574.14
418,933.27 HDFC Liquid Fund - Direct Plan - Growth Option	-	1,753.13	-	1,753.13	-	1,753.13
70,689.49 HDFC Money Market Fund - Regular Plan Growth	-	295.82	-	295.82	-	295.82
468,743.91 SBI Liquid Fund Direct Growth	-	1,562.37	-	1,562.37	-	1,562.37
208,156.56 UTI Liquid Cash Plan - Direct Plan - Growth	-	726.06	-	726.06	-	726.06
1,879,040.68 ICICI Liquid Fund - DP Growth	-	592.38	-	592.38	-	592.38
212,254.65 Axis Liquid Fund - Direct Growth	-	501.79	-	501.79	-	501.79
Subtotal	-	6,005.68	-	6,005.68	-	6,005.68
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,148.13	1,148.13	-	1,148.13
1,777 Compulsory convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,000 each	-	631.43	-	631.43	-	631.43
4,200 Optionally convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,00 each	-	434.44	-	434.44	-	434.44
Subtotal	-	1,065.87	1,148.13	2,214.00	-	2,214.00
Credit Substitutes						
472 units of Panchsheel Builtech Private Limited of face value Rs 1,000,000 fully paid up	69.50	-	23.76	93.26	-	93.26
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	626.00	-	-	626.00	-	626.00
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	822.30	-	311.41	1,133.71	-	1,133.71
Subtotal	1,690.72	-	514.24	2,204.96	-	2,204.96
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	10.10	-	10.10
Subtotal	-	194.11	10.10	204.21	-	204.21
Total (A) Gross	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (A) Net	542.46	7,203.87	2,416.94	10,163.27	126.30	10,289.57
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Total (B) Gross	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (B) Net	542.46	7,203.87	2,416.94	10,163.27	126.30	10,289.57

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As at March 31, 2021	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Equity method	Total
(A)						
Equity instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	129.73	129.73
Subtotal	-	-	-	-	129.73	129.73
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.27	3.27	-	3.27
Equity shares in McNally Bharat Engineering Company Limited	-	25.12	-	25.12	-	25.12
Equity shares in Flash Electronics Private Limited	-	-	304.40	304.40	-	304.40
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	226.20	226.20	-	226.20
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Subtotal	-	25.12	568.37	593.49	-	593.49
Mutual funds						
1,844,321 in HDFC Liquid Fund - Direct Plan - Growth	-	7,461.24	-	7,461.24	-	7,461.24
49,969 HDFC Money Market Fund - Regular Plan Growth	-	202.15	-	202.15	-	202.15
1,893,629 in SBI Liquid Fund Direct Growth	-	6,100.55	-	6,100.55	-	6,100.55
213,248 in Baroda Pioneer Liquid Fund - Plan B Growth	-	505.24		505.24	-	505.24
1,666,137 in ICICI Prudential Liquid Fund Direct Plan Growth	-	507.74	-	507.74	-	507.74
Subtotal	-	14,776.92	-	14,776.92	-	14,776.92
Debt instruments						
500 units of State Bank of India Series - II non-convertible debenture	526.75			526.75	-	526.75
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 fully paid up	-	-	826.47	826.47	-	826.47
Subtotal	526.75	-	826.47	1,353.22	-	1,353.22
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	209.85	-	71.73	281.58	-	281.58
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	596.12	-	-	596.12	-	596.12
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.08	352.00	-	352.00
705 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	566.44	-	244.80	811.24	-	811.24
410 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	44.67	-	2.07	46.74	-	46.74
Subtotal	1,590.00	-	497.68	2,087.68	-	2,087.68
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	11.01	11.01	-	11.01
Subtotal	-	194.11	11.01	205.12	-	205.12
Total (A) - Gross	2,116.75	14,996.15	1,903.53	19,016.43	129.73	19,146.17
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (A) Net	1,714.49	14,996.15	1,710.67	18,421.31	129.73	18,551.05
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	2,116.75	14,996.15	1,903.53	19,016.43	129.73	19,146.17
Total (B) - Gross	2,116.75	14,996.15	1,903.53	19,016.43	129.73	19,146.17
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (B) - Net	1,714.49	14,996.15	1,710.67	18,421.31	129.73	18,551.05

Notes:

(i) For movement of impairment loss allowance refer note 7.1

(ii) Detail of Group's associate is given below. Associate is included in the Group's financial statements using equity method of accounting:

Name of entity	Principal Activity	Place of incorporation	Principal place of business	Particulars	As at March 31, 2022	As at March 31, 2021
DMI Alternatives Private Limited	Investment Manager	Delhi	Delhi	% share in profits	49%	49%

(iii) An analysis of Group's investment in associate is as follows:

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	129.73	89.48
Addition/Adjustment	0.14	0.74
Disposal	-	-
Share of Profits/(Loss)	(3.57)	39.51
Dividend received	-	-
Balance at the end of the year	126.30	129.73

(iv) Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

	As at March 31, 2022	As at March 31, 2021
Profit/ (loss) after tax	(7.29)	80.64
Other Comprehensive income	(0.31)	0.02
Total Comprehensive Income	(7.60)	80.66

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9 Other financial assets (at amortized cost)

	As at March 31, 2022	As at March 31, 2021
Security deposit	25.55	21.17
First loss default guarantee recoverable	90.54	1,114.82
Ex-gratia interest benefit	-	99.47
Interest accrued on fixed deposits	13.74	-
Money with partners pending for disbursement	898.89	277.56
Unbilled revenue and recoverables	581.36	324.33
Total	**1,610.08**	**2,837.35**

10 Current tax assets

Advance income-tax (net)	296.13	232.47
Total	**296.13**	**232.47**

11 Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	379.33	19.17
Difference in income recognition on unrealized gain on mutual fund investments	23.80	72.79
Total deferred tax liabilities	**403.13**	**91.96**
Deferred tax asset		
Provision for employee benefits	20.96	14.47
Difference in written down value as per Companies Act and Income-tax Act	12.18	6.54
EIR adjustment for processing fee	77.29	30.81
Liability against leases	9.91	7.44
Impairment loss allowance	1,131.17	640.90
Carry forward of losses	3.23	-
Carry forward of interest disallowed u/s 94B	28.53	25.67
Gross deferred tax asset	**1,283.27**	**725.83**
Net Deferred Tax (Liability)/ Asset	**880.14**	**633.87**

Movement of deferred tax assets	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2022
Liabilities				
Fair value of financial instruments	19.18	149.02	211.13	379.33
Difference in income recognition on unrealized gain on mutual fund investments	72.78	(48.98)	-	23.80
Deferred Tax Liabilities	**91.96**	**100.04**	**211.13**	**403.13**
Assets				
Provision for employee benefits	14.48	6.62	(0.14)	20.96
Difference in written down value as per Companies Act and Income-tax Act	6.54	5.64	-	12.18
EIR adjustment for processing fee	30.81	46.48	-	77.29
Liability against leases	7.43	2.48	-	9.91
Impairment loss allowance	640.90	490.27	-	1,131.17
Carry forward of Losses	-	3.23		3.23
Carry forward of interest disallowed u/s 94B	25.67	2.86	-	28.53
Deferred Tax Assets	**725.83**	**557.58**	**(0.14)**	**1,283.27**
Net Deferred tax asset	**633.87**	**457.54**	**(211.27)**	**880.14**

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Movement of Deferred tax assets	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2021
Liabilities				
Fair value of financial instruments	13.83	4.29	1.06	19.18
Difference in income recognition on unrealized gain on mutual fund investments	19.25	53.53	-	72.78
Deferred Tax Liabilities	33.08	57.82	1.06	91.96
Assets				
Provision for employee benefits	9.70	5.39	(0.61)	14.48
Difference in written down value as per Companies Act and Income-tax Act	5.99	0.55	-	6.54
EIR adjustment for processing fee	-	30.81	-	30.81
Liability against leases	3.96	3.47	-	7.43
Impairment loss allowance	366.50	274.40	-	640.90
Carry forward of interest disallowed u/s 94B	25.67	-	-	25.67
Deferred tax assets	411.82	314.62	(0.61)	725.83
Net Deferred tax assets	378.74	256.80	(1.67)	633.87

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12 Property, plant and equipment (at cost or deemed cost)

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold improvements	Total
Gross carrying amount						
Balance as at March 31, 2020	1.48	29.29	5.36	32.06	141.24	209.43
Additions	0.41	8.52	-	0.47	-	9.40
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	1.89	37.81	5.36	32.53	141.24	218.83
Additions	0.05	19.84	0.19	0.47	0.01	20.56
Disposals	(0.04)	-	-	(0.31)	(3.97)	(4.32)
Balance as at March 31, 2022	1.90	57.65	5.55	32.69	137.28	235.07
Accumulated depreciation						
Balance as at March 31, 2020	0.69	20.26	3.79	15.75	29.95	70.44
Charge for the year	0.21	7.77	0.48	7.27	16.43	32.16
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	0.90	28.03	4.27	23.02	46.38	102.60
Charge for the year	0.26	11.31	0.42	4.10	15.81	31.90
Disposals	(0.03)	-	-	(0.27)	(3.77)	(4.07)
Balance as at March 31, 2022	1.13	39.34	4.69	26.85	58.42	130.43
Net carrying amount						
As at March 31, 2021	0.99	9.78	1.09	9.51	94.86	116.23
As at March 31, 2022	0.77	18.31	0.86	5.84	78.86	104.64

Notes:

i) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 15 - Right to use assets.

ii) During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.

iii) There is no proceading initiated against the group for the properties under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

13 Capital work in progress

	As at March 31, 2022	As at March 31, 2021
Capital work in progress	23.27	-
	23.27	-

As at 31 March, 2022

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	23.27	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	23.27	-	-	-	-

As at 31 March, 2021

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note:
Contractual commitments to be executed on capital account amounting to Rs. 18.25 millions (previous year: NIL)

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14 Goodwill

Particulars	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost	253.53	-
Accumulated impairment loss	-	-
	253.53	-

Particulars	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost		
Balance at the beginning of the year	-	-
Additions on account of acquisitions/business combinations	-	-
Adjustments	253.53	-
Foreign currency translation reserve	-	-
Balance at the end of the year	-	-
	253.53	-

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of the year	-	-

Notes:

I) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassesing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

II) For the purpose of impairment testing, goodwill acquired in one of the subsidiary is compared with the synergies arising from the subsidiary. After testing, no impairment loss was assessed.

15 Right to use assets

	Right to use assets	Total
Gross carrying amount		
Balance as at March 31, 2020	293.91	293.91
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	293.91	293.91
Additions	75.08	75.08
Disposals	-	-
Balance as at March 31, 2022	368.99	368.99
Depreciation		
Balance as at March 31, 2020	45.24	45.24
Additions	37.96	37.96
Disposals	-	-
Balance as at March 31, 2021	83.20	83.20
Additions	50.84	50.84
Disposals	-	-
Balance as at March 31, 2022	134.04	134.04
Net carrying amount		
As at March 31, 2020	248.67	248.67
As at March 31, 2021	210.71	210.71
As at March 31, 2022	234.95	234.95

Note: For other details please refer Note 47

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16 Other intangible assets

	Software	Total
Gross carrying amount		
Balance as at March 31, 2020	15.66	15.66
Additions	24.25	24.25
Disposals	-	-
Balance as at March 31, 2021	39.91	39.91
Additions	25.29	25.29
Disposals	-	-
Balance as at March 31, 2022	65.20	65.20
Amortisation		
Balance as at March 31, 2020	8.11	8.11
Additions	9.00	9.00
Disposals	-	-
Balance as at March 31, 2021	17.11	17.11
Additions	16.69	16.69
Disposals	-	-
Balance as at March 31, 2022	33.80	33.80
Net carrying amount		
As at March 31, 2020	7.55	7.55
As at March 31, 2021	22.80	22.80
As at March 31, 2022	31.41	31.41

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		As at March 31, 2022	As at March 31, 2021
17	**Other non- financial assets**		
	Capital advance	-	6.13
	Prepaid expenses	104.16	89.09
	Balances with statutory / government authorities	5.05	6.93
	Advance salary	0.04	-
	Advances given to vendors	93.32	-
	Other non-financial assets	2.35	1.12
	Total	**204.91**	**103.27**
18	**Assets held for sale**		
	Assets under settlement (see note below)	143.88	189.35
		143.88	**189.35**

Note : These assets represent assets acquired from the Holding Company's borrowers as a part of Group's risk management strategy. In these cases, the Holding Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Holding Company and borrower to transfer the asset in the name of the Holding Company towards settlement of the loan amount.
Basis the development during the current year, the Holding Company, on prudent basis, has written off asset under settlement amounting to Rs. 45.97 million.

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	As at March 31, 2022	As at March 31, 2021
19 Payables		
a. Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	94.79	10.75
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	697.23	716.80
	792.02	727.55
b. Other payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	28.80
	379.87	28.80
Total	1,171.89	756.35

i) Trade payable and other payable ageing schedule

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	94.79	-	-	-	94.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,032.22	35.98	5.10	3.80	1,077.10
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	1,127.01	35.98	5.10	3.80	1,171.89

As at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	110.75	-	-	-	110.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	621.72	14.27	9.61	-	645.60
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	732.47	14.27	9.61	-	756.35

ii) Amount outstanding if Micro, Small and Medium Enterprises Development Enterprises

Based on the responses received from certain suppliers, the Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2022	As at March 31, 2021
i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	94.79	110.75
- Interest thereon	0.03	-
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment	-	-
iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) the amount of interest accrued and remaining unpaid	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

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		As at March 31, 2022	As at March 31, 2021
20	Debt securities (at amortised cost)		
	Non convertible debentures (refer note 20.1)	18,552.27	18,551.69
		18,552.27	18,551.69
	Secured **	499.27	498.69
	Unsecured	18,053.00	18,053.00
	Total	18,552.27	18,551.69
	Debt securities in India	18,552.27	18,551.69
	Debt securities outside India	-	-
	Total	18,552.27	18,551.69

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company of Rs. 893.22 millions (previous year Rs. 725 millions).

The Holding Company has not created the Debenture redemption reserve as it is not mandatorily required in accordance with provisions of the Companies Act 2013.

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20.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021	Terms of redemption
INE604O07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500	499.27	498.69	On or prior to 36 months from the first allotment date. Coupon payment frequency is yearly
Total							499.27	498.69	

All secured against exclusive charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021	Terms of redemption
INE604O08066	October 1, 2019	October 1, 2022	10,00,000	1,160	10.35%	1,160.00	1,160.00	1,160.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08074	October 21, 2019	October 21, 2022	10,00,000	2,040	10.35%	2,040.00	2,040.00	2,040.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08082	November 25, 2019	November 25, 2023	10,00,000	2,040	8.50%	2,040.00	2,040.00	2,040.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08090	December 10, 2019	December 10, 2023	10,00,000	867	8.50%	867.00	867.00	867.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08108	February 20, 2020	February 20, 2024	10,00,000	7,172	8.50%	7,172.00	7,172.00	7,172.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08124	February 28, 2020	February 28, 2024	10,00,000	4,640	9.50%	4,640.00	4,640.00	4,640.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08116	March 12, 2020	March 12, 2024	10,00,000	134	8.50%	134.00	134.00	134.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
Total							18,053.00	18,053.00	

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21 Borrowings (other than debt securities) (at amortised cost)	As at March 31, 2022	As at March 31, 2021
Secured		
Term loans		
From banks (See note i and iii below)	8,717.10	1 181.19
Cash credit and overdraft		
From banks (See note ii below)	248.43	-
	8,965.53	1 181.19
Unsecured		
Term loans		
From Individuals (See note iv below)	8.15	-
From Corporates (See note iv below)	11.57	-
From banks	2.82	-
	22.54	-
Borrowings in India	8,988.07	1 181.19
Borrowings outside India	-	-
Total	8,988.07	1 181.19

Notes:

i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company to the extent of Rs. 14,257.92 millions (Previous year: Rs. 2,397.07 millions).

ii) Exclusive Hypothecation charge on the standard receivables of the Holding Company upto 1.25 times, at all times and cash credit is repayable on demand.

iii) Terms of repayment of borrowings as on March 31, 2022 are as follows:

Lender	Disbursement Amount	Repayment	Rate of interest	Security cover	Outstanding as on March 31,2022	Outstanding as on March 31, 2021
Bank of Baroda	1,000	16 quarterly installments	>6.00%<10.5%	133%	248.50	494.24
Bank of Baroda	500	16 monthly installments	>6.00%<10.5%	133%	373.33	497.05
Bank of Baroda	500	16 quarterly installments	>6.00%<10.5%	133%	497.50	-
Karnataka Bank Limited	200	11 quarterly installments	>6.00%<10.5%	125%	163.22	-
Bank of Maharashtra	500	42 monthly installments	>6.00%<10.5%	125%	476.93	-
HDFC Bank Limited	300	16 quarterly installments	>6.00%<10.5%	133%	-	56.21
HDFC Bank Limited	750	8 quarterly installments	>6.00%<10.5%	125%	512.55	-
HDFC Bank Limited	800	8 quarterly installments	>6.00%<10.5%	125%	797.04	-
State Bank Of India	1,000	15 quarterly installments	>6.00%<10.5%	125%	865.74	-
Karnataka Bank Limited	250	11 quarterly installments	>6.00%<10.5%	125%	221.86	-
Kotak Mahindra Bank Limited	400	24 monthly installments	>6.00%<10.5%	133%	349.44	-
IndusInd Bank Limited	500	12 quarterly installments	>6.00%<10.5%	133%	495.74	-
Punjab National Bank	500	35 monthly installments	>6.00%<10.5%	133%	483.82	-
South Indian Bank Limited	300	14 quarterly installments	>6.00%<10.5%	133%	-	85.61
South Indian Bank Limited	500	15 quarterly installments	>6.00%<10.5%	125%	499.04	-
Indian Bank	750	16 quarterly installments	>6.00%<10.5%	125%	746.57	-
AU Small Finance Bank Limited	450	36 monthly installments	>6.00%<10.5%	110%	-	0.92
Union Bank of India Limited	550	14 quarterly installments	>6.00%<10.5%	133%	-	27.17
Small Industries Development Bank of India	200	7 monthly installments	>6.00%<10.5%	125%	-	20.00
State Bank Of India	2,000	15 quarterly installments	>6.00%<10.5%	125%	1,985.82	-
HDFC Bank Limited *	3	48 monthly installments	>6.00%<10.5%	NA	2.82	-
Total					8,719.92	1,181.19

*Unsecured loan taken by one of the subsidiary under Guaranteed Emergency Credit Line scheme

The charges/satisfaction which yet to be registered with Registrar of Companies (ROC) as at 31 March, 2022 are as follows:

Brief description of satisfaction	Location of ROC	Due date for satisfaction	Reason for delay
Bank of India	Delhi	Not yet registered	The loan was obtained from consortium of banks with Bank of India being the lead banker. The loan has been completely paid in the year 2018. Due to involvement of multiple banks, NOCs from all the banks are required by the lead banker to issue NOC for the satisfaction of Debt. The Holding Company is following up with all the involved banks to obtain the NOC for satisfaction of charge. The Holding Company shall file for the satisfaction of charge with the ROC on receipt of NOC from BOI.

iv) Unsecured loans from individuals and corporate are repayable on demand.

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Additional Notes:

i) Secured term loans from banks amounting to Rs. 8,717.10 millions and carry rate of interest in the range of 6.00% to 10.50% p.a. The loans are having tenure of 2 to 4 years from the date of disbursement and are repayable in both monthly and quarterly installments. The secured term loans are secured by hypothecation (exclusive charge) of the book debt receivables of the Holding Company.

ii) There are no term loans from financial institutions.

iii) The Group has not defaulted in the repayment of dues to its lenders.

iv) The Group has not declared as wilfull defaulter by any of banks, financial institution or any other lender

v) The Group has been submitting monthly/quarterly receivable/stock data with the lenders as per the provision of sanction letters and there are no discrepancies between receivable/stock data submitted to the lenders and book of accounts.

vi) The corporate guarantee given by the Holding Company for borrowings of fellow subsidiary on which charge is created on the assets of company have not been considered for the disclosure as their charge is not due for the satisfaction.

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	As at March 31, 2022	As at March 31, 2021
22 Lease liabilities		
Lease liabilities (Refer note 47)	276.36	242.29
	276.36	**242.29**

23 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due		
- Debt securities	156.43	156.43
- Borrowings other than debt securities	6.44	0.67
Others	-	1.23
	162.87	**158.33**

24 Provisions

Provision for gratuity (refer note 40)	34.56	23.24
Provision for compensation absences	52.04	34.26
	86.60	**57.50**

25 Other non-financial liabilities

Statutory dues payable	64.48	44.71
Advances for goods and services	33.75	-
Prepaid Payment Instrument balances	0.22	-
Security Deposit	4.71	3.35
Others	0.35	-
	103.51	**48.06**

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26 Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	96,50,00,000	9,650.00	96,50,00,000	9,650.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	1,00,00,00,000	10,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	65,50,78,001	6,550.78	64,20,35,533	6,420.36
Sub total (A)	65,50,78,001	6,550.78	64,20,35,533	6,420.36
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	16.22
Sub total (B)	5,73,15,400	16.22	5,73,15,400	16.22
Total (A+B)	71,23,93,401	6,567.00	69,93,50,933	6,436.58

26.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	69,93,50,933	6,436.58	61,62,94,566	5,592.94
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	-	-	-	-
Shares issued during the year	1,30,42,468	130.42	8,30,56,367	830.57
First call money called on party paid up shares	-	-	-	13.07
Balance at the end of year	71,23,93,401	6,567.00	69,93,50,933	6,436.58

26.2 Shares held by holding Company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
	51,98,89,603	72.98%	51,98,89,603	74.34%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

26.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
NIS Ganesha S.A.	6,47,35,441	9.09%	6,47,35,441	9.26%
K2V2 (refer (i) below)	5,73,15,400	8.05%	5,73,15,400	8.20%

Note: As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) During the previous year, the Holding Company has issued 1,30,42,468 equity shares comprising of 107,62,812 Rs. 10 per share at Rs. 209.75 per share (including premium of Rs. 199.75 per share) and 22,79,656 equity shares of Rs. 10 per share at applicable exercise price under the ESOP plans. The amount received on these issues aggregates to Rs. to Rs. 2,342.63 million.

(ii) The Holding Company had issued 2,7783,195 Compulsorily Convertible Preference Shares ("CCPS") namely Series B, Series C, Series D, Series E, Series F and Series G to different holders from time to time. As per the terms of issue of CCPS, the CCPS were converted into 2,00,56,804 ordinary equity shares of the Company on November 8, 2019.

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26.4 Details of shares held by promoters

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	51,98,89,603	43,89,[illegible]9,922
Change during the year	-	8,09,[illegible]9,681
No. of shares at the end of the year	51,98,89,603	51,98,[illegible]9,603
% of total shares	72.98%	74.34%
% change during the year	-1.83%	4.38%

DMI Limited is the promoter of the Holding Company

26.5 Rights, preferences and restrictions

The Holding Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

26.6 Aggregate number of shares issued for consideration other than cash during the five years

The Holding Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

26.7 Uncalled and Unpaid Capital

There are 5,73,15,400 equity shares issued by the Holding Company against which, the Holding Company has received Rs. 16,52,47,259 (including securities Premium of Rs. 14,90,25,873). Balance amount is not called up by the Holding Company.

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27 Other equity

	As at March 31, 2022	As at March 31, 202_
Securities premium	25,707.55	23,495.35
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	1,094.07	977.46
Share based payment outstanding reserve	187.02	140.95
Share warrant reserve	32.44	
Retained earnings	4,332.54	3,873.76
Other comprehensive income	685.96	57.84
Upfront monies received on share warrant	0.50	
Total	**32,121.29**	**28,626.57**

Securities premium		
Opening balance	23,495.35	14,547.77
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	2,212.20	8,947.58
Closing balance	25,707.55	23,495.35
Capital redemption reserve		
Opening balance	81.21	81.21
Add : Additions during the year	-	-
Closing balance	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act		
Opening balance	977.46	932.84
Add : Transfer during the year from Surplus in	116.61	44.62
Closing balance	1,094.07	977.46
Share based payment outstanding reserve		
Opening balance	140.95	66.48
Add: Granted/vested during the year	73.56	75.68
Less : Exercised during the year	(27.49)	(1.81)
Closing balance	187.02	140.95
Share warrant reserve		
Opening balance	-	-
Add : Addition during the year	32.44	-
Closing balance	32.44	-
Retained earnings		
Opening balance	3,873.76	3,649.10
Add : Profit for the year	583.03	269.18
Less: Loss on subsequent acquisition in	(7.64)	-
Less : Transfer to reserve fund as per section 45	(116.61)	(44.62)
Closing balance	4,332.54	3,873.76

	As at March 31, 2022	As at March 31, 2021
Upfront monies received on share warrant		
Opening balance	-	-
Add : Amount received during the year	0.50	-
Closing balance	0.50	-
Other Comprehensive Income		
Opening balance	57.84	52.15
Add: Remeasurement gain on defined benefit	0.97	1.14
Add : Gain on Fair Value changes (Debt and	627.15	3.55
Closing balance	685.96	57.84

Security premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013

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Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares.

Statutory reserve u/s 45-IC of RBI Act

The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve and except for the purpose as may be prescribed by Reserve Bank of India.

Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Holding Company and subsidiary companies under Holding Company's employee stock option plan.

Share warrant reserve

The reserve is used to recognise the fair value of the warrants issued to consultants of the Group.

Retained earnings

Retained earnings or accumulated surplus and represents total of all profits retained since the Holding Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

Upfront monies received on share warrant

Upfront monies received on share warrant represents the upfront monies received against the share warrants issued by the Holding Company.

28 Non-controlling interests

	As at March 31, 2022	As at March 31, 202 .
Balance at the beginning of the year	-	-
Share of profit for the year	-	-
Dividend	-	-
Equity component of Preference Share Capital	-	-
Non-controlling interests on acquisition in/of Appnit Technologies Private Limited	29.13	-
Balance at the end of the year	29.13	-

Details of non-wholly owned subsidiary that have non-controlling interests

The table shows details of non-wholly owned subsidiary of the Group that has non-controlling interests:

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests	
		March 31,2022	March 31,2021	March 31,2022	March 31,2021
Appnit Technologies Private Limited	India	5.96%	-	29.13	-

Particulars	As at March 31, 2022
Financial assets	239.15
Non Financial assets	109.17
Financial liabilities	45.39
Non Financial liabilities	44.03
Equity attributable to the owners of the company	223.82
Non-controlling interests	29.13

Particulars	Year ended March 31, 2022
Income	-
Expenses	-
Profit/(loss) for the year	-
Profit/(loss) attributable to the owners of the Company	-
Profit/(loss) attributable to the non-controlling interests	-
Profit/(loss) for the year	-
Other comprehensive income attributable to the owners of the Company	-
Other comprehensive income attributable to the non-controlling interests	-
Total comprehensive income of the year	-

During the current year as the Company acquired the subsidiary there is no operational activities after the acquisiton.

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29 Interest Income

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest income on portfolio loans	-	7,280.24	30.22	-	6,394.70	18.35
Interest income on investments	23.19	310.85	154.84	-	292.64	175.86
Interest on deposits with bank	-	38.06	-	-	34.94	-
Total interest income	23.19	7,629.15	185.06	-	6,722.28	194.21
			7,837.41			6,916.49

30 Fees and commission income

	Amount invoiced		Revenue booked	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Fee on card reload	21.42	18.48	21.42	18.48
Consulting fee	109.74	36.15	109.74	36.15
Others *	-	-	104.09	26.76
	131.16	54.63	235.25	81.39

*includes income related other recoveries from Consumer loans

31 Net gain on fair value changes

(A) Net gain on financial instruments at fair value through profit and loss		
on financial instruments designated at fair value through profit or loss	963.40	587.60
(B) others	-	-
	963.40	587.60
Analysis of fair value changes*		
Realised	716.69	355.03
Unrealised	246.71	232.57
	963.40	587.60

*shows the change from the date of investment

32 Other Income

Cost sharing from group companies	122.08	103.38
Income on Treasury instruments	16.89	-
Interest income on income tax refund	0.75	-
Interest income on unsecured loans	1.10	-
Liabilities written back	17.04	-
Foreign exchange gain (net)	0.09	-
Miscellaneous income	5.10	0.36
	163.05	103.74

33 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,685.76	1,599.45
Interest on borrowings (other than debt securities)		
- on bank term loan	211.88	41.75
- on bank cash credit/overdraft	0.58	0.32
Other interest expense		
- on delayed deposit of statutory dues	0.08	0.81
- on leasing arrangements	16.09	24.54
Other borrowing costs	2.14	24.81
	1,916.53	1,691.68

34 Fees and commission expense

	Year ended March 31, 2022	Year ended March 31, 2021
Selling partner commission	677.01	403.63
	677.01	403.63

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35 Impairment on financial instruments

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost
Loans	6.88	-	1,074.96	0.75	-	651.95
Investments	110.27	61.79	746.00	98.31	-	295.86
Write offs	-	-	1,412.03	-	-	1,801.87
Total	**117.15**	**61.79**	**3,232.99**	**99.06**	-	**2749.68**
			3,411.93			**2848.74**

36 Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	724.50	576.26
Contribution to provident and other funds	24.13	24.56
Gratuity expenses (refer note 40)	11.29	8.23
Share based payment to employees	73.56	75.78
Staff welfare expenses	27.29	18.44
	860.77	**703.27**

37 Depreciation and amortization

Depreciation on property, plant and equipment (See note 12)	31.90	32.16
Amortisation of right to use assets (See note 15)	50.84	37.96
Amortisation of other intangible assets (See note 16)	16.69	9.00
	99.43	**79.12**

38 Other expenses

Advertisement expenses	8.85	18.67
Legal and professional fees*	611.21	382.88
Travelling and conveyance expenses	10.51	4.42
Auditor's remuneration (refer note 38.1)	4.05	4.04
IT expenses	256.16	145.65
Rates and taxes	6.57	1.55
Rent	5.06	12.65
Goods and service tax	201.20	174.95
Director's sitting fee	0.68	0.56
Corporate social responsibility (refer note 38.2)	18.42	25.15
Repair and maintenance	14.60	7.30
Insurance expense	0.24	0.10
Credit evaluation fee	151.27	16.07
Credit rating fee	5.24	2.05
Customer onboarding expenses	0.07	2.28
Assets held for sale written off	45.97	-
Amortization of Premium on debenture	0.37	1.32
Miscellaneous expenses	87.77	42.04
	1,428.24	**841.68**

* includes share warrant expense amounting to Rs. 32.44 millions (previous year Rs. Nil)

38.1 Auditor's remuneration (excluding applicable taxes)

	Year ended March 31, 2022	Year ended March 31, 2021
- as auditors	2.80	3.05
- for tax services	0.30	0.03
- for other services*	0.95	0.96
	4.05	**4.04**

* Includes amount of INR 0.15 million paid to erstwhile Auditor of the Holding Company.

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38.2 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Group during the year was Rs. 17.40 millions in FY 2021-22 (Previous Year Rs. 23.62 millions) and Group has spent Rs. 17.40 millions in FY 2021-22 (Previous Year Rs. 23.62 millions).

	Year ended March 31, 2022	Year ended March 31, 2021
Gross amount unspent for the last year	-	-
Gross amount required to be spent by the group during the year	18.42	25.15
Amount spent during the year	18.42	25.15
Construction/acquisition of any asset	-	-
Paid in cash	18.42	25.15
Yet to be paid in cash	-	-
Nature of CSR Activities		
Education, Nutrition and Women Empowerment	14.66	16.40
Promoting and development towards healthcare	3.27	5.12
Promoting Indian Classical art and culture among youth	0.50	0.50
Training and helping Indian Athletes to win Olympic Gold medals	-	2.13
Provide supporting in eradication of hunger	-	1.00

Notes :

a) There is no transaction with related parties as defined under the IND AS 24 'Related Party Disclosures'

b) There is no provision outstanding in the books as at March 31, 2022

c) During the previous financial year (2020-21), the Holding Company has spent excess amount of INR 0.77 million, such excess amount was set off against the CSR expenditure spent during the financial year 2021-22 pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

39 Earning per share (EPS)	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to equity shareholders	583.03	269.28
Net profit for the year for basic EPS	583.03	269.28
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	583.03	269.28
Nominal value of equity shares (in Rs.)	10.00	10.00
Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)	70,34,43,054	63,55,56,623
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	71,55,44,050	69,64,77,457
Basic EPS	0.83	0.42
Dilutive EPS	0.81	0.39

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39A Employee Stock Option Plan

I. The Holding Company has formulated share-based payment schemes for its Group employees. Details of all grants in operation during the year ended March 31, 2022 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of Options granted	Method of settlement	Graded vesting period *	Number of employees to whom options were granted	First vesting date	Exercise period **	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	01-Apr-19	11-02-2020	6,46,899	Shares	See Below	40	31-03-2020	5 years	As per plan	95.49	95.49
DMI ESOP Retention Plan 2019	16-Mar-20	11-02-2020	14,00,000	Shares	See Below	10	15-03-2021	5 years	As per plan	100.00	101.87
DMI ESOP plan 2018	19-Mar-18	16-03-2018	24,527	Shares	See Below	6	18-03-2019	5 years	As per plan	43.90	22.81
DMI Retention Plan, 2018	01-Apr-18	16-03-2018	10,87,300	Shares	See Below	17	31-03-2019	5 years	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme	01-Oct-18	01-10-2018	5,86,222	Shares	See Below	5	30-09-2019	5 years	As per plan	62.21	95.49
DMI ESOP Plan, Legacy Scheme	01-Apr-18	16-03-2018	3,14,148	Shares	See Below	5	31-03-2019	5 years	As per plan	13.29	24.68
DMI Employment Contract 2020	16-Feb-21	09-04-2020	23,068	Shares	See Below	1	15-02-2024	5 years	As per plan	113.34	113.34
DMI Retention Bonus (NBFC Apr'20)	21-Apr-20	09-04-2020	5,80,000	Shares	See Below	17	31-03-2021	5 years	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	01-Apr-20	09-04-2020	3,88,823	Shares	See Below	44	31-03-2021	5 years	As per plan	116.36	116.36
DMI Variable2019-20	01-Jan-21	09-04-2020	9,865	Shares	See Below	2	31-03-2021	5 years	As per plan	113.34	113.34
DMI Finance Plan 2021	01-Apr-21	21-06-2021	6,33,708	Shares	See Below	63	01-04-2022	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	01-Apr-21	21-06-2021	4,30,000	Shares	See Below	24	01-04-2024	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	21-06-2021	37,23,000	Shares	See Below	98	27-07-2024	5 years	As per plan	112.86	112.86
DMI Employment Contract 2021-22 - I	18-Nov-21	21-06-2021	2,222	Shares	See Below	1	18-11-2024	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - II	20-Dec-21	21-06-2021	12,210	Shares	See Below	1	20-12-2022	5 years	As per plan	209.00	209.00
DMI ESOP Plan, Management - III	15-Jan-22	21-06-2021	18,315	Shares	See Below	1	15-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - III	28-Jan-22	21-06-2021	6,106	Shares	See Below	1	28-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - IV	01-Mar-22	21-06-2021	7,326	Shares	See Below	1	01-03-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - V	07-Mar-22	21-06-2021	3,664	Shares	See Below	1	07-03-2023	5 years	As per plan	209.00	209.00
Total			98,97,403			338					

Graded vesting period*

*1 As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

*2. For Schemes Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21) and DMI Employment Contract 2021-22 - IV options will vest on completion of three years from the grant dates respectively.

Exercise period **

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date.

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II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	2,97,496	-	24,527	0.95
DMI Retention Plan, 2018	14,83,942	-	3,96,642	-	10,87,300	1
DMI ESOP Plan, Management Scheme	6,04,396	-	18,174	-	5,86,222	1.5
DMI ESOP Plan, Legacy Scheme	18,27,677	-	15,13,529	-	3,14,148	1
DMI ESOP PLAN 2019	6,88,660	-	41,761	-	6,46,899	2
DMI ESOP RETENTION PLAN 2019	14,00,030	-	-	-	14,00,080	2.96
DMI Employment Contract 2020	23,068	-	-	-	23,068	3.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000	-	-	-	5,80,000	3
DMI Finance ESOP Plan 2020	3,99,387	-	10,564	-	3,88,823	3
DMI Variable2019-20	11,355	-	1,490	-	9,865	3.76
DMI Finance Plan 2021	-	6,33,708	-	-	6,33,708	4.01
Founder Circle Award 2020-21 (NBFC Apr'21)	-	4,30,000	-	-	4,30,000	4.01
Founder Circle Award 2020-21 (NBFC Jul'21)	-	37,23,000	-	-	37,23,000	4.33
DMI Employment Contract 2021-22 - I	-	2,222	-	-	2,222	4.64
DMI Employment Contract 2021-22 - II	-	12,210	-	-	12,210	4.73
DMI ESOP Plan, Management - III	-	18,315	-	-	18,315	4.8
DMI Employment Contract 2021-22 - III	-	6,106	-	-	6,106	4.83
DMI Employment Contract 2021-22 - IV	-	7,326	-	-	7,326	4.92
DMI Employment Contract 2021-22 - V	-	3,664	-	-	3,664	4.94
Total	73,40,508	48,36,551	22,79,656	-	98,97,403	

March 31, 2021

II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	-	-	3,22,023	2
DMI Retention Plan, 2018	15,50,442	-	-	66,500	14,83,942	2
DMI ESOP Plan,Management Scheme	7,23,981	-	-	1,19,585	6,04,396	3
DMI ESOP Plan, Legacy Scheme	18,27,677	-	-	-	18,27,677	2
DMI ESOP PLAN 2019	7,72,377	-	-	83,717	6,88,660	3
DMI ESOP RETENTION PLAN 2019	17,00,000	-	-	3,00,000	14,00,030	4
DMI Employment Contract 2020	-	23,068	-	-	23,068	5
DMI Retention Bonus (NBFC Apr'20)	-	5,30,000	-	-	5,80,000	4
DMI Finance ESOP Plan 2020	-	3,99,387	-	-	3,99,387	4
DMI Variable2019-20	-	11,355	-	-	11,355	5
Total	68,96,500	10,13,810	-	5,69,803	73,40,508	

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III. Computation of fair value

For undertaking fair valuation of ESOP, the Holding Company is using Black-Scholes Model.

ESOP PLAN	Fair market value of shares (Rs.)	Volatility	Risk free rate	Dividend Yield	Exercise price (Rs.)	Option fair value
DMI ESOP PLAN 2019	95.49	30.00%	7.35%	-	95.49	38.86
DMI ESOP RETENTION PLAN 2019	101.87	30.00%	6.50%	-	100.00	40.47
DMI ESOP PLAN 2018	22.81	15.00%	6.00%	-	43.90	0.67
DMI Retention Plan, 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme	95.49	15.00%	7.50%	-	62.21	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Employment Contract 2020	113.34	30.00%	6.14%		113.34	43.35
DMI Retention Bonus (NBFC Apr'20)	116.36	30.00%	6.14%		116.36	44.51
DMI Finance ESOP Plan 2020	116.36	30.00%	6.14%		116.36	44.51
DMI Variable2019-20	113.34	30.00%	6.14%		113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.50%		113.34	43.49
Founder Circle Award 2020-21 (NBFC Apr'21)	113.00	30.00%	6.14%		113.34	43.49
Founder Circle Award 2020-21 (NBFC Jul'21)	112.86	30.00%	6.14%		112.86	43.17
DMI Employment Contract 2021-22 - I	209.00	30.00%	6.60%		209.00	18.82
DMI Employment Contract 2021-22 - II	209.00	30.00%	6.60%		209.00	18.82
DMI ESOP Plan, Management - III	209.00	30.00%	6.60%		209.00	81.89
DMI Employment Contract 2021-22 - III	209.00	30.00%	6.60%		209.00	81.89
DMI Employment Contract 2021-22 - IV	209.00	30.00%	6.60%		209.00	81.89
DMI Employment Contract 2021-22 - V	209.00	30.00%	6.60%		209.00	81.89

The Holding Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Group. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Holding Company recognise share based compensation in the Statement of Profit and Loss with a corresponding credit to Share based payments outstanding reserve.

The Holding Company has entered into Cost chargeback agreement with the granter and post this agreement the Holding Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Holding Company, to DMI Housing Finance Private Limited. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account via Share Options Outstanding Account disclosed under notes.

During the Financial year 2018-19, as per the scheme options were granted to employees of the Granter. The Holding Company has recognised the expense of Rs. 0.70 millions (previous year: Rs. 2.16 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 9.99 millions as on March 31, 2022 (Rs. 9.29 Millions as on March 31, 2021)

The employees' compensation expense for Stock options during the year ended 31 March 2022 amounts to Rs. 72.86 millions (previous year Rs. 75.78 millions).

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40 Retirement benefit plan

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Group in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 24.13 millions (previous year: Rs. 24.56 millions) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	24.67	17.44
Current service cost	9.65	7.05
Interest cost	1.64	1.17
Benefits Paid	(0.22)	-
On acquisition of Subsidiary	0.12	-
Remeasurement (gain) / loss	(1.30)	(2.45)
Balance at the end of the year	**34.56**	**23.22**

Amount recognised in the statement of profit and loss is as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	9.65	7.05
Interest cost on defined benefit obligation	1.64	1.17
Net impact on profit before tax	**11.29**	**8.23**

Amount recognised in the other comprehensive income:

	Year ended March 31, 2022	Year ended March 31, 2021
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(2.84)	-
Experience adjustments	1.55	(2.45)
Impact on other comprehensive income	**(1.30)**	**(2.45)**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Holding company's plans are shown below:

	Year ended March 31, 2022	Year ended March 31, 2021
Economic assumptions		
Discount rate	7.18%	5.76%
Future salary increases	6.00%	5.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

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Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Holding Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Sensitivity analysis for gratuity liability	Year ended March 31, 2022	Year ended March 31, 2021
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(2.50)	(1.85)
Impact due to decrease of 0.50 %	2.75	2.05
Impact of the change in salary increase		
Impact due to increase of 0.50 %	2.72	2.01
Impact due to decrease of 0.50 %	(2.49)	(1.85)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
0 to 1 year	0.54	0.36
1 to 2 year	0.57	0.40
2 to 3 year	0.60	0.41
3 to 4 year	0.64	0.46
4 to 5 year	0.65	0.49
5 to 6 year	0.71	0.39
6th year onwards	30.21	21.44
Total expected payments	33.91	23.94

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41 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director
Mr. Nipender Kochhar	Director
Mr. Jatinder Bhasin	Chief Financial Officer (upto 17 March 2021)
Mr. Krishan Gopal	Chief Financial Officer (w.e.f. 18 March 2021)
Mr. Sahib Pahwa	Company Secretary

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2VZ, Partnership Firm
DMI Alternative Investment Fund
Quickwork Technologies Private Limited

Entity with Significant influence
Ganesha Fixed Income Limited

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Housing Finance Private Limited	Cost share recovery	59.70	70.18
	Share based payment	0.70	2.16
	Interest on loan	-	20.78
	Repayment of loan	-	700.00
	Reimbursement of expense paid by related party on behalf of entity	3.67	-
DMI Alternative Investment Fund	Repayment of loan	-	800.00
	Interest expenses	-	23.75
DMI Alternatives Private Limited	Cost share recovery	60.70	33.46
	Share based payment	0.13	0.74
	Reimbursement of expense incurred on behalf of related party	5.49	-
Ganesha Fixed Income Limited	Interest expenses	11.39	11.36

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Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Limited	Issue of equity shares	-	9,419.31
Mr. Sahib Pahwa	Loan / advance given	-	0.48
	Interest income	0.03	0.05
	Remuneration	5.18	4.12
	Loan received back	0.51	0.09
Mrs. Bina Singh	Sitting fee	0.12	0.10
	Share Warrants Expense	0.77	-
Mr. Yuvraja Chanakya Singh	Remuneration	35.20	57.10
	Post employment benefits	0.36	0.36
	Issue of equity shares	-	119.39
Mr. Shivashish Chatterjee	Remuneration	26.31	56.38
	Post employment benefits	0.36	0.36
	Issue of equity shares	-	119.39
Mrs. Jayati Chatterjee	Sitting fees	0.22	0.18
	Share Warrants Expense	0.77	-
Mr. Gurcharan Das	Sitting fees	0.12	0.10
	Share Warrants Expense	0.77	-
Mr. Nipender Kochhar	Sitting fees	0.22	0.16
	Share Warrants Expense	0.77	-
Mr. Jatinder Bhasin	Remuneration	NA	10.92
Mr. Krishan Gopal	Remuneration	9.35	0.67
Quickwork Technologies Private Limited	Other Expenses	1.08	-
Paromita Chatterjee	Consultancy Fee	0.70	-
K2VZ	Issue of equity shares	-	133.13

(c) Outstanding balances with related parties:

Name of related party	Nature of transaction	As at March 31, 2022	As at March 31, 2021
Mr. Sahib Pahwa	Loan receivable	-	0.48
DMI Alternatives Private Limited	Employee Stock Option Plan recoverable	4.96	4.89
DMI Housing Finance Private Limited	Employee Stock Option Plan payable	9.99	9.29
	Corporate Guarantee	4,329.99	4,447.17
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	134.00	134.00

Others
During the Year ended March 31, 2022, the Holding Company has bought back certain non convertible debentures from Mr. Sahib Pahwa for consideration of Nil (previous year: Rs 0.64 millions).

During the Year ended March 31, 2022, the Holding Company has bought back certain non convertible debentures from DMI Housing Finance Private Limited for consideration of Nil (previous year: Rs 126.48 millions)

(d) Disclosure pursuant to Schedule V of Clause A (2) of Regulation 53(f) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015:
There is no loan or advance given by the Company to either Holding company or Subsidiary companies.

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42 (a) **Impact of COVID 19 pandemic**

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Holding Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on accountof the pandemic. The Holding Company believes that the factors considered are reasonable under the current circumstances. The Holding company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the dynamic nature of the pandemic situation, these estimates are subjects to uncertainty and may be affected by severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial value of the financial assets, the financial position and performance of the Holding Company.

42 (b) The date on which the Code on Social Security, 2020(the "Code") relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalized. The Group will evaluate the code and its rules, assess the impact if any, and account for the same when they become effective.

42 (c) In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by the Holding Company exceeds the total Provision required under IRACP (including Standard Asset provisioning),as at March 31, 2022 and accordingly no amount is required to be transferred to impairment reserve.

42 (d) In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, during the previous year, the Holding Company estimated the said amount and made provision for refund/adjustment in these financial statements.

42 (e) Disclosures required as per Master directions and circulars issued by Reserve Bank of India (RBI) have been given in standalone financal statements of the holding company, therefore same have not been reproduced here.

43 During the previous year, in compliance with Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020), the Holding Company granted the benefit amounting to Rs. 99.47 millions to its borrowers.

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44 Capital

The Holding Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Holding Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Holding Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Holding Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Holding Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks which include credit, liquidity and interest rate.

The Holding Company endeavours to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2022	As at March 31, 2021
CRAR - Tier I capital (%)	57.46%	59.03%
CRAR - Tier II capital (%)	3.85%	1.17%
CRAR (%)	61.31%	60.20%

i) Capital to risk assets ratio (CRAR)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021
i) CRAR (%)	Adjusted Tier I and Tier II Capital	Risk weighted assets	61.31%	60.20%
ii) CRAR- Tier I capital (%)	Adjusted Tier I Capital	Risk weighted assets	57.46%	59.03%
iii) CRAR- Tier II capital (%)	Adjusted Tier II Capital	Risk weighted assets	3.85%	1.17%
iv) Amount of subordinated debt raised as Tier-II capital			-	-
v) Amount raised by Issue of Perpetual Debt Instruments			-	-

Basis of Ratios

(Amount in Rs. crores)

	Year ended 31st March 2022	ended 31st March 2021
a. Adjusted Tier I Capital	3,571.77	3,340.19
b. Adjusted Tier II Capital	239.45	65.95
Total Capital	3,811.22	3,406.14
c. Risk weighted assets	6,216.50	5,658.10

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Holding Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

45 Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
Contingent liabilities not provided in respect of:		
i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	4,329.99	4,447.17
ii Guarantees issued by bankers on behalf of Company	-	-
Claims against the Company not acknowledged as debt		
i. Income tax (note 2)	2.26	2.26

Notes :

1 The Holding Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 4,329.99 million as at March 31, 2022 (March 31,2021: Rs. 4,447.17 million).

2 During the previous year, the Holding Company has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of Rs 6.42 millions on account of disallowance of deduction under section 80G of the Income tax Act, 1961. The Holding Company has appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of Rs. 2.26 million but the Holding Company has already paid the taxes more than by Rs. 2.31 million therefore, the Holding Company is not required to pay any additional demand. In presence of favourable case laws and judicial precedents wherein similar facts have been addressed, the Holding Company expects that the additional demand will be deleted by CIT (A). Hence no provision there against is considered necessary at this point in time as the likelihood of liability develoing on the Holding Company is less than probable.

b. Commitments

	As at March 31, 2022	As at March 31, 2021
Commitments for acquisition of property, plant and equipment (net of advances)	18.25	-

c. Others

In case of un-disbursed loan facility, the Holding Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn capital commitment for the Group are amounting to Nil.

The Group has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

46 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2020	22,797.57	2,824.83	266.45	25,888.85
Cash flows:				
- Repayment	(4,750.00)	(2,355.33)	(55.18)	(7,160.51)
- Proceeds	500.00	700.00	-	1,200.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	4.12	11.69	-	15.81
- Others	-	-	31.02	31.02
March 31, 2021	18,551.69	1,181.19	242.29	19,975.17
Cash flows:				
- Repayment	-	(1,077.84)	(57.10)	(1,134.94)
- Proceeds	-	8,850.00	-	8,850.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	0.58	12.18	-	12.76
- Additions during the year	-	22.54	75.08	97.62
- Others	-	-	16.09	16.09
March 31, 2022	18,552.27	8,988.07	276.36	27,816.70

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47 Leases

The Holding Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.

The Holding Company also has certain lease with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the period are as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	210.71	248.67
Additions made during the year	75.08	-
Amortisation on right of use assets	50.84	37.96
Balance at the end of the year	234.95	210.71

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	242.29	266.45
Additions made during the year	75.08	-
Interest accretion for the year	16.09	31.02
Payments made during the year	(57.10)	(55.18)
Balance at the end of the year	276.36	242.29

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2030-31

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2022	March 31, 2021
Depreciation expense in respect of right-of-use asset	50.84	37.96
Interest expense in respect of lease liabilities	16.09	24.54
Expense relating to short-term leases (included on other expenses)	4.58	12.65
Total amount recognized in profit or loss	71.51	75.15

The Holding Company's total cash outflows for leases was Rs 57.10 Millions during the year (previous year Rs 48.70 Millions)

Maturity Analysis of Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Upto 1 month	2.65	3.15
Over 1month to 2 month	2.83	3.24
Over 2 months to 3 months	3.82	3.36
Over 3 months to 6 months	11.68	10.24
Over 6 months to 1 year	24.02	19.35
Over 1year to 3 years	60.24	85.36
Over 3 years and upto 5 years	72.20	54.52
Over 5 years	78.94	63.07
Total	276.36	242.29

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48 Tax expenses

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are :

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	676.15	348.13
Deferred tax credit	(457.54)	(256.80)
Income tax expense reported in the statement of profit or loss	**218.61**	**91.33**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Group is 25.168% (March31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	805.21	361.10
Income-tax rate	25.168%	25.168%
Expected tax expense	**202.66**	**90.81**
Expenditure disallowed	503.00	465.68
Income not subject to tax	-	(0.14)
Deductions	(487.62)	(458.23)
Tax for earlier years	0.57	3.21
Tax expense	**218.61**	**91.33**

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49 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	6,829.64	-	**6,829.64**	2,533.91	-	2,533.91
Bank balance other than cash and cash equivalents	294.66	-	**294.66**	267.21	-	267.21
Trade receivables	61.03	-	**61.03**	62.11	-	62.11
Loans	30,117.80	16,683.35	**46,801.15**	16,971.61	14,126.12	31,097.73
Investments	7,256.57	3,033.00	**10,289.57**	15,718.40	2,832.65	18,551.05
Other financial assets	1,582.52	27.56	**1,610.08**	2,017.09	20.26	2,037.35
Non- financial assets						
Current tax assets (net)	296.13	-	**296.13**	232.47	-	**232.47**
Deferred tax assets (net)	-	880.14	**880.14**	-	633.87	**633.87**
Property, plant and equipment	-	104.64	**104.64**	-	116.23	**116.23**
Right to use assets	50.30	184.65	**234.95**	46.26	164.45	**210.71**
Intangible assets	-	31.41	**31.41**	-	22.80	**22.80**
Capital work in progress	-	23.27	**23.27**	-	-	-
Goodwill	-	253.53	**253.53**	-	-	-
Other non- financial assets	204.91	-	**204.91**	94.66	8.61	**103.27**
Assets held for sale	143.88	-	**143.88**	189.85	-	**189.85**
	46,837.44	**21,221.55**	**68,058.99**	**38,133.57**	**17,924.99**	**56,058.56**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	94.79	-	**94.79**	110.75	-	**110.75**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	697.23	-	**697.23**	416.80	-	**416.80**
B) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	-	**379.87**	228.80	-	**228.80**
Debt securities	3,200.00	15,352.27	**18,552.27**	-	18,551.69	**18,551.69**
Borrowings (other than debt securities)	3,397.96	5,590.11	**8,988.07**	357.93	823.26	**1,181.19**
Liabilities against leased assets	44.99	231.37	**276.36**	39.33	202.96	**242.29**
Other financial liabilities	162.87	-	**162.87**	158.33	-	**158.33**
Non financial liabilities						
Provisions	1.82	84.78	**86.60**	57.50	-	**57.50**
Other non-financial liabilities	103.51	-	**103.51**	48.06	-	**48.06**
Equity						
Equity share capital	-	6,567.00	**6,567.00**	-	6,436.58	**6,436.58**
Other equity	-	32,121.29	**32,121.29**	-	28,626.57	**28,626.57**
Non Controlling Interest	-	29.13	**29.13**	-	-	-
	8,083.04	**59,975.95**	**68,058.99**	**1,417.50**	**54,641.06**	**56,058.56**

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50 Risk management

Introduction and risk profile

The Holding Company is a private finance company in India and is regulated by the Reserve Bank Of India (RBI). In view of the intrinsic nature of operations, the Group is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management structure and policies

As a lending institution, Group is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Group 's risk management process is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Group's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Group manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Group's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Group liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities

March 31, 2022	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,829.64	1,000.00	-	-	-	-	-	-	6,8[illegible]9.64
Bank balance other than Cash and cash equivalents	-	-	23.00	266.20	5.25	-	-	-	2[illegible]4.66
Trade receivables	61.03	-	-	-	-	-	-	-	[illegible]1.03
Loans	6,740.85	4,372.93	4,640.01	9,865.18	10,992.12	19,405.33	3,795.16	1,119.45	60,9[illegible]1.03
Investments	6,350.66	21.77	1,438.67	141.89	235.50	1,769.29	1,255.73	3,118.03	14,3[illegible]1.55
Other financial assets	1,187.67	0.45	208.59	111.62	74.20	-	-	25.55	1,6[illegible]0.08
Financial liabilities									
Payables	474.14	229.76	20.45	33.06	306.55	70.37	-	-	1,1[illegible]1.89
Debt securities	-	282.12	143.24	390.82	3,832.44	16,445.46	-	-	21,0[illegible]4.18
Borrowings (other than debt securities)	188.82	138.73	489.51	972.76	1,897.40	4,958.11	1,194.70	-	9,8[illegible]0.03
Lease liabilities	4.96	5.11	6.08	18.24	36.29	117.96	95.76	90.34	3[illegible]4.74
Other financial liabilities	6.44	117.82	38.61	-	-	-	-	-	1[illegible]2.87

March 31, 2021	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	2,533.91	-	-	-	-	-	-	-	2,5[illegible]3.91
Bank balance other than Cash and cash equivalents	-	-	-	261.91	5.30	-	-	-	2[illegible]7.21
Trade receivables	62.11	-	-	-	-	-	-	-	[illegible]2.11
Loans	4,116.83	2,770.01	2,512.07	5,776.66	6,300.73	15,486.83	3,364.92	785.95	41,1[illegible]4.01
Investments	15,138.10	48.00	558.32	108.14	188.15	737.38	1,770.71	1,440.20	19,9[illegible]8.90
Other financial assets	247.23	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,0[illegible]7.35
Financial liabilities									
Payables	0.62		305.36						[illegible]3.98
Debt securities	-	282.12	65.28	389.97	781.17	21,171.39			22,6[illegible]9.92
Borrowings (other than debt securities)	29.06	26.91	150.18	154.56	281.90	555.47	131.25	-	1,3[illegible]9.33
Lease liabilities	5.17	5.23	5.32	15.97	30.04	117.97	72.63	71.44	3[illegible]3.77
Other financial liabilities	100.50	140.74	50.69	254.50	88.90	-	-	-	6[illegible]5.33

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Group. The Group's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the Group's senior management to approve the Group's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Group's overall business strategy and the same is reviewed every quarter by the senior management.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

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Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Group:

March 31, 2022	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	6,829.64	-	-	-	-	-	-	6,829.64
Bank balance other than Cash and cash equivalents	294.66	-	-	-	-	-	-	294.66
Loans - Corporate (contractual amount of loans)	-	-	11,197.09	-	1,665.93	613.91	-	13,476.94
Loans - Consumer loans (contractual amount of loans)	-	-	-	525.07	-	32,799.14	-	33,324.21
Trade receivables	-	-	-	-	-	61.03	-	61.03
Investments	6,450.05	-	721.35	-	2,978.40	-	139.77	10,289.57
Other financial assets	-	-	-	-	-	1,584.53	25.55	1,610.08
Total	13,574.35	-	11,918.44	525.07	4,644.33	35,058.61	165.32	65,886.13

March 31, 2021	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	2,533.91	-	-	-	-	-	-	2,533.91
Bank balance other than Cash and cash equivalents	267.21	-	-	-	-	-	-	267.21
Loans - Corporate (contractual amount of loans)	-	-	9,047.64	-	2,538.08	703.54	-	12,289.26
Loans - Consumer loans (contractual amount of loans)	-	-	-	434.74	-	18,689.61	-	19,124.35
Receivables	7.47	-	-	-	-	54.64	-	62.11
Investments	16,072.26	-	1,048.07	-	1,410.49	-	20.23	18,511.05
Other financial assets	-	-	-	-	-	2,016.18	21.17	2,037.35
Total	18,880.85	-	10,095.71	434.74	3,948.57	21,463.97	41.40	54,865.24

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2022	As at March 31, 2021	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	9,597.79	17,058.49	Equity price
Credit substitutes	2,204.56	2,087.68	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	18,552.27	18,551.69	Interest rate
Borrowings (other than debt securities)	8,988.07	1,423.48	Interest rate

(i) Interest rate risk:-

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Group's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Group's net interest income, while a long term impact is on the Group's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Group is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Group. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates

ii) Short term volatility

iii) Prepayment risk translating into a reinvestment risk

iv) Real interest rate risk.

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Interest rate risk exposure

	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	8,965.53	1,181.19
Fixed Rate Borrowings	18,574.81	18,551.69

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss:

Particulars	Effect on net profit	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Decrease in 50 basis points	25.13	7.34
Increase in 50 basis points	(25.13)	(7.34)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Group's VOCI equities at 31 March 2022 would have increased equity by Rs. 272.01 millions (Previous year: Rs 190.35 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Group's FVTPL equities at 31 March 2022 would have increased profits by Rs. 726.57 millions (Previous year: Rs. 1499.62 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

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51 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Group's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	6,005.68	-	-	6,005.68	-	14,776.92	-	14,776.92
Equity shares - Mcnally Bharat Engineering Company Limited	-	-	-	-	25.12	-	-	25.12
Security receipts of Alchemist XV Trust	-	194.11	-	194.11	-	194.11	-	194.11
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	631.43	631.43	-	-	-	-
Optionally convertible debentures of Azad Engineering Private Limited	-	-	434.44	434.44	-	-	-	-
Total financial investment measured at FVTPL	6,005.68	194.11	1,065.87	7,265.66	25.12	14,971.03	-	14,996.15
Financial investments measured at FVOCI								
Credit Substitutes	-	-	514.24	514.24	-	-	497.68	497.68
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	1,148.13	1,148.13	-	-	826.47	826.47
Loans	-	-			-	-	-	-
Non-convertible debentures - unquoted	-	-	367.90	367.90	-	-	142.83	142.83
Units of DMI AIF Special Opportunities Scheme	-	10.10	-	10.10	-	11.01	-	11.01
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	-	34.50	34.50
Equity Instruments		-						
DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	-	3.27	3.27
Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	-	226.20	226.20
Flash Electronics Private Limited	-	-	793.97	793.97	-	-	304.40	304.40
Total financial investments measured at FVOCI	-	10.10	3,077.87	3,087.97	-	11.01	2,035.35	2,046.36
Total financial assets measured at fair value	6,005.68	204.21	4,143.74	10,353.63	25.12	14,982.04	2,035.35	17,042.51

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Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds are valued at NAV of respective investment and are classified as Level 1. Security receipts are measured based on Net Asset Value (NAV) and are classified as Level 2.

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on net worth of investee company or Valuation report issued by independent Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

- Area delivered in past across segments
- Financial strength (of the entity and group)
- Debt track record (debt repaid in past, current & past delinquency)
- Stages of various projects of developer
- Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2022 and March 31, 2021

Movements in Level 3 financial instruments measured at fair value

	Equity Shares	Compulsorily Convertible Debentures*	Optionally Convertible Debentures*	Credit Substitutes*	NCD Unquoted*	Units of DMI AIF Special Opportunities Scheme	Security receipts of Alchemist XV Trust	Security receipts of Alchemist XV Trust	Total
At April 1, 2020	479.36	773.17	-	419.58	120.76	10.80	194.11	34.50	2,032.28
Purchase	-	-	-	46.45	21.82	-	-	-	68.27
Change in classification	-	-	-	-	-	-	-	-	-
Sales / settlements	-	2.57	-	(42.98)	(18.11)	-	-	-	(58.52)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	101.23	-	74.63	18.35	0.21	-	-	194.42
Gains / loss for the period recognized in the other comprehensive income	54.51	(50.50)	-	-	-	-	-	-	4.01
At March 31, 2021	533.87	826.47	-	497.68	142.82	11.01	194.11	34.50	2,240.46
Purchase	-	180.00	420.00	100.00	230.60	-	-	-	930.60
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	103.41	48.72	-	-	-	-	-	152.13
Sales / settlements	-	(107.65)	(34.28)	(83.44)	(5.52)	(1.07)	-	-	(231.96)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	441.32	-	-	-	0.17	-	-	441.49
Gains / loss for the period recognized in the other comprehensive income	479.23	336.01	-	-	-	-	-	-	815.24
At March 31, 2022	1,013.10	1,779.56	434.44	514.24	367.90	10.11	194.11	34.50	4,347.95

*Total Gains/Loss for the period recognized in the Statement of Profit and Loss consists of income other than fair value change

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's level 3 assets and liabilities.

March 31, 2022	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Consumer Credit Private Limited	3.37	Net Worth of Investee Company	Instrument price
Compulsorily convertible debentures of Azad Engineering Private Limited	631.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	514.24	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	793.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	1,148.13	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	367.90	Discounted Projected Cash Flows	Discount margin / spread
Total	**3,674.80**		

March 31, 2021	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Consumer Credit Private Limited	3.27	Net Worth of Investee Company	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	497.68	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	304.40	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	826.47	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	142.83	Discounted Projected Cash Flows	Discount margin / spread
Total	**2,000.85**		

Quantitative analysis of significant unobservable inputs

Instrument price

Given the nature of this approach, there is no range of prices used as inputs.

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2022		March 31, 2021	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible debentures of Azad Engineering Private Limited	63.14	(63.14)	-	-
Total (A)	**63.14**	**(63.14)**	-	-
Instruments measured through FVTOCI				
Equity shares in DMI Consumer Credit Private Limited	0.34	(0.34)	0.33	(0.33)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.58	(21.58)	22.62	(26.07)
Credit Substitutes	2.38	(2.38)	7.17	(7.17)
Non-convertible debentures - unquoted	36.79	(36.79)	14.28	(14.28)
Equity shares in Flash Electronics Private Limited	79.40	(79.40)	30.44	(30.44)
Compulsory convertible debentures	114.81	(114.81)	82.65	(82.65)
Total (B)	**255.30**	**(255.30)**	**157.50**	**(157.50)**
Total (A+B)	**318.44**	**(318.44)**	**157.50**	**(157.50)**

Fair value of financial Instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	March 31, 2022		March 31, 2021	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets:				
Loans and advances				
Corporate loans	13,120.52	13,120.52	12,151.09	12,151.09
Investments – at amortised cost				
Credit Substitutes	758.25	758.25	1,171.88	1,171.88
Financial liabilities:				
Debt securities	18,553.00	18,553.00	18,553.00	18,553.00

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Borrowings - At Amortised cost
These includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Investments - At amortised cost
These includes Credit substitutes & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and liabilities other than above
The carrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

52 (a) Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.

52 (b) The consolidated financial statements for the year ended March 31, 2021 were audited by previous statutory auditors Walker Chandiok and Co LLP.

52 (c) There are no event observed after the reported period which have an impact on the Group's operations.

52 (d) The financial statements were approved for issue by Board of Directors on May 20 , 2022.

52 (e) Disclosure on significant ratios:

Particulars	Description	As at March 31, 2022	As at March 31, 2021
Net profit margin	Net profit after tax / total revenue from operations	6.34%	3.50%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	40.47%	35.20%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	0.31%	1.51%
Asset cover ratio (no. of times)	Amount of secured assets / Secured debt	1.79	1.45
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	86.13%	62.36%

53 **Other Statutory Information**

1 During the current financial year, the Group has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

2 No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2022.

3 There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961.

4 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5 The Group has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

6 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

7 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

9 There are no transactions of undisclosed income not recorded in the books of accounts.

10 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

11 The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

12 The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

13 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amount in Rs. in millions, except for share data unless stated otherwise)

54 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity in the Group	Net assets .i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DMI Finance Private Limited	93.35%	38,480.87	93.0%	577.80	99.91%	627.54	96.48%	1,205.34
Subsidiaries								
DMI Capital Private Limited	0.95%	369.91	8.4%	52.07	-0.01%	-0.05	4.16%	52.02
DMI Management Services Private Limited	0.05%	21.18	0.5%	3.40	0.00%	-	0.27%	3.40
Agonit Technologies Pvt Ltd	0.65%	252.95	-1.4%	-8.45	0.10%	0.63	-0.53%	-7.83
Associate (Investment as per equity method)								
DMI Alternatives Private Limited	0.00%	-	-0.6%	-3.57	0.00%	-	-0.29%	-3.57
Total	100.00%	39,124.91	100.0%	621.24	100.00%	628.12	100.00%	1,249.36
Adjustments arising out of consolidation		(436.62)		(38.21)		0.00		(38.20)
Total		38,688.29		583.03		628.12		1,211.15

55 Segment information

The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Group level. The operations of the Group fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Group operates in a single geographical segment, i.e., domestic.

56 Events occurring after reporting date

There are no significant events after the reporting period which require any adjustment or disclosure in the financial statements.

For S.N. Dhawan & CO LLP
Firm Registration No. 000050N/N500045
Chartered Accountants

Vinesh Jain
Partner
Membership No. 087701

Place: New Delhi
Date: 20 May 2022

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
M. No. A24789
Place: New Delhi
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

Walker Chandiok & Co LLP
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One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report

To the Members of DMI Finance Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **DMI Finance Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID 19

4. We draw attention to Note 38 of to the accompanying financial statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Company's operations as at 31 March 2021. Our opinion is not modified in respect of this matter.

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Chartered Accountants

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Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Use of information processing system for accounting and financial reporting	
The Company relies upon information processing systems for recording, processing, classifying, and presenting the large volume of transactions entered into by the Company. The Company has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Company is reliable. Also, during the current year, the management carried out changes to the IT infrastructure and accounting system to implement moratorium relief extended during the year to the customers. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements. The Company's accounting and financial reporting processes being dependent on automated controls enabled by IT systems impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	Our key audit procedures on this matter included, but were not limited, to the following: a) Obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; b) Obtained an understanding of the changes that were made to the IT applications during the audit period on account of moratorium relief extended to its customers; c) Involved IT specialists (auditor's expert) for performance of the following procedures: i) tested the IT General Controls around user access management, changes to IT environment and segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; and ii) tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization iii) tested the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. d) Obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.

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Key audit matter	How our audit addressed the key audit matter
Expected Credit Losses on loans (ECL) and implementation of COVID-19 relief measures (Refer Note 3(m) for the accounting policy and Note 7.1 for the related disclosures	
As at 31 March 2021, the Company has financial assets (loans) amounting to Rs. 31,413.61 millions. As per Ind AS 109- Financial Instruments, the Company is required to recognise allowance for expected credit losses on financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgement around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The Company has developed customized models to derive key inputs used to determine the amount of ECL such as probability of default (PD) and loss given default (LGD). The result from these models is then applied to the exposure at default (EAD) to arrive at the amount of ECL. In the process of developing the ECL models, a significant degree of judgement has been applied by the management in respect of following matters: a) Staging of loans and estimation of behavioral life and thereby determining the criteria for a significant increase in credit risk. b) Estimation of expected loss from historical observations. c) Estimation of losses in respect of those loans which had no/ minimal defaults in the past. d) Selection of macro-economic factors and estimating their impact on ECL model; and e) Estimation of the expected realizable values of underlying collaterals.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but were not limited, to the following: a) obtained an understanding of the model adopted by the Company including key inputs and assumptions for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculates the expected credit losses and the appropriateness data on which the calculation is based; b) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; c) obtained the policy on moratorium and restructuring of loans approved by the Board of Directors pursuant to the RBI circulars and ensured such policy is in compliant with the requirements of the RBI circular; d) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable accounting standard considering the impact of COVID-19 on account of benefit extended by the Company to select borrowers and the basis for classification of various exposures into various stages. e) As modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. f) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used;

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Key audit matter	How our audit addressed the key audit matter
Implementation of COVID-19 relief measures During the current year, RBI announced various relief measures for the borrowers which were implemented by the Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 7 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated 6 August 2020, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. The management has considered the impact of COVID-19 on arriving at the provisions as at the balance sheet date on account of significant increase in credit risk on borrowers given additional support by the Company which were impacted due to COVID-19. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI. Considering the significance of the above matter to the standalone financial statements, the degree of management's judgment involved and additional complexities involved in the current year on account of ongoing impact of COVID-19 and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note 38 of the accompanying standalone financial statements, regarding uncertainties involved on the due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments, as the same is fundamental to the understanding of the users of financial statements.	g) developed a point estimate by making reference to the expected credit losses recognised by entities that carry comparable financial assets; h) tested the arithmetical calculation of the expected credit losses; i) on test check basis, tested the reasonableness of estimates of expected realizable values of underlying collaterals; j) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and k) obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 3 July 2020.

Report on Other Legal and Regulatory Requirements

17. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

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19. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 21 June 2021 as per Annexure B expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i) the Company, as detailed in note 42 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2021;

        ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

        iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN:21105117AAAADU3479

Place: Mumbai
Date: 21 June 2021

Chartered Accountants

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Annexure A to the Independent Auditor's Report of even date to the members of DMI Finance Private Limited, on the standalone financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b) The Company has a regular program of physical verification of its property, plant and equipment under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

c) The Company does not hold any immovable property (in the nature of 'Property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

ii) The Company does not have any inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable.

iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of guarantee. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, investments and security.

v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.

vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable.

vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	2.26	Nil	Assessment year 2017-18	Commissioner of Income Tax-Appeal (CIT(A))

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Annexure A (Contd)

viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or debenture holders during the year. The Company did not have any outstanding loans or borrowings payable to government during the year.

ix) The Company did not raise moneys by way of initial public offer or further public offer. In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

xii) In our opinion, the Company is not a *Nidhi* Company. Accordingly, provisions of Clause 3(xii) of the Order are not applicable.

xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

xiv) During the year, the Company has made preferential allotment/ private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of shares/ fully/partly convertible debentures.

xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN: 21105117AAAADU3479

Place: Mumbai
Date: 21 June 2021

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure B to the Independent Auditor's Report of even date to the members of DMI Finance Private Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1) In conjunction with our audit of the standalone financial statements of DMI Finance Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2) The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3) Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4) Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6) A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Chartered Accountants

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Annexure B (Contd)

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7) Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8) In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Manish Gujral
Partner
Membership No105117

UDIN:21105117AAAADU3479

Place: Mumbai
Date: 21 June 2021

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

DMI Finance Private Limited
Standalone Balance Sheet As at March 31, 2021
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	2,476.26	1,190.89
Bank balance other than cash and cash equivalents	5	267.21	15.20
Trade receivables	6	54.64	33.65
Loans	7	31,413.61	33,353.51
Investments	8	18,488.52	15,294.08
Other financial assets	9	2,035.85	566.23
Non- financial assets			
Current tax assets	10	214.39	154.51
Deferred tax assets (net)	11	573.29	319.78
Property, plant and equipment	12	326.86	387.53
Intangible assets	13	22.80	7.55
Other non- financial assets	14	94.66	104.32
Assets held for sale	15	189.85	189.85
TOTAL ASSETS		56,157.94	51,617.10
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		110.75	78.68
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		194.95	161.37
Debt securities	17	18,551.69	22,797.57
Borrowings (other than debt securities)	18	1,423.48	3,091.28
Other financial liabilities	19	629.87	475.38
Non financial liabilities			
Provisions	20	56.73	37.95
Other non-financial liabilities	21	336.57	214.62
EQUITY			
Equity share capital	22	6,436.58	5,592.94
Other equity	23	28,417.32	19,167.31
TOTAL LIABILITIES AND EQUITY		56,157.94	51,617.10

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
Place: NEW DELHI
Date: June 21, 2021

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179
Place: LONDON
Date: June 21, 2021

Krishan Gopal
(Chief Financial Officer)
Place: GURUGRAM
Date: June 21, 2021

Sahil Pahwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: June 21, 2021

DMI Finance Private Limited
Standalone Statement of profit and loss for the year ended March 31, 2021
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	For the year March 31, 2021	For the year March 31, 2020
Revenue from operations			
Interest income	24	6,910.64	6,078.05
Fees and commission income	25	38.79	52.03
Net gain on fair value changes	26	591.04	225.77
Total revenue from operations		7,540.47	6,355.85
Other income	27	104.04	90.29
Total income		7,644.51	6,446.14
Expenses			
Finance costs	28	1,929.94	1,455.00
Fees and commission expense	29	903.63	843.03
Impairment on financial instruments	30	2,848.74	1,533.14
Employee benefits expense	31	698.99	573.35
Depreciation and amortization	32	79.07	76.40
Other expenses	33	872.12	621.53
Total expenses		7,332.49	5,102.45
Profit before tax		312.02	1,343.69
Tax expense:			
(1) Current tax	16	344.13	548.07
(2) Deferred tax credit	16	(255.19)	(195.27)
Profit for the year		223.08	990.89
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		2.44	(2.00)
Income tax relating to above item		(0.61)	0.50
b) Items that will be reclassified to profit or loss			
Changes in fair value		4.21	(95.37)
Actuarial Gain			
Leave Encashment			
Income tax relating to above item		(1.06)	24.00
Other comprehensive income		4.98	(72.87)
Total comprehensive income for the year		228.06	918.02
Earnings per equity share (face value of Rs. 10 per share)	34		
Basic (Rs.)		0.35	1.78
Diluted (Rs.)		0.32	1.77

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
Place: NEW DELHI
Date: June 21, 2021

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Date: June 21, 2021

Sahib Pahwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: June 21, 2021

DMI Finance Private Limited

Standalone Cash flow statement for the Year ended March 31, 2021

(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flow from operating activities:		
Profit before tax	**312.02**	**1,343.69**
Adjustments for		
Depreciation and amortisation	79.07	76.40
Net gain on fair value changes	(591.04)	(225.77)
Impairment on financial instruments	2,848.74	1,533.14
Interest expense for leasing arrangements	31.02	27.34
Effective interest rate adjustment for financial instruments	15.81	32.80
Employee stock option expense	75.78	40.90
Operating profit before working capital changes	**2,771.40**	**2,828.50**
Changes in working capital		
(Increase) in financial and other assets	(2,005.28)	(13,630.68)
Increase in financial and other liabilities	220.14	475.62
Decrease in non financial assets	6.65	134.61
Increase in non financial liabilities	141.76	329.20
Total of changes in working capital	**(1,636.73)**	**(12,691.25)**
Direct taxes paid (net of refunds)	(404.00)	(592.78)
Net cash flow generated from / (used in) operating activities (A)	**730.67**	**(10,455.53)**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(30.64)	(396.44)
Sale of Property, plant and equipment	-	1.06
Purchase of investment (net)	(2,993.36)	(5,454.66)
Movement of fixed deposits (net)	(252.01)	-
Net cash flow used in investing activities (B)	**(3,276.01)**	**(5,850.04)**
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	9,791.22	1,786.08
Proceeds from debt securities	500.00	21,303.00
Proceeds from bank borrowings	700.00	980.00
Repayment of cash credit	-	(332.86)
Repayment of debt securities	(4,750.00)	(4,300.00)
Repayment of bank borrowings	(2,355.33)	(2,314.54)
Lease payments	(55.18)	(54.80)
Net cash flow generated from financing activities (C)	**3,830.71**	**17,066.88**
Net increase in cash and cash equivalents (A+B+C)	**1,285.37**	**761.31**
Cash and cash equivalents as at the beginning of the year	1,190.89	429.58
Cash and cash equivalents at the end of the year	**2,476.26**	**1,190.89**

Notes:

1) Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.08	0.12
Balance with banks		
In current accounts	2,106.38	965.47
In cash credit	369.80	225.30
Total cash and cash equivalents	**2,476.26**	**1,190.89**

2) Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 43

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW DELHI
Date: June 21, 2021

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: LONDON
Date: June 21, 2021

Krishan Gopal
(Chief Financial Officer)

Place: GURUGRAM
Date: June 21, 2021

Sahil Pahwa
(Company Secretary)
M. No. A24789

Place: GURUGRAM
Date: June 21, 2021

DMI Finance Private Limited
Statement of Changes in Equity for the Year ended March 31, 2021
(All Amount in Rs. In millions, unless otherwise stated)

A. Equity share capital (refer note 22)

Particulars	As at April 1,2019	Change during the year	As at March 31,2020	Change during the year	As at March 31,2021
Equity share capital	5,209.58	383.36	5,592.94	843.64	6,436.58

b. Other equity (refer note 23)

Particulars	Reserves and surplus					Total
	Statutory reserve u/s 45-IC of RBI Act	Share option outstanding account	Securities premium	Capital redemption reserve	Retained earnings	
Balance as on April 1, 2019	731.31	28.04	12,905.76	81.21	2,768.05	16,514.37
Profit for the year	-	-	-	-	990.89	990.89
Other Comprehensive Income for the year	-	-	-	-	(72.87)	(72.87)
Share options exercised during the year	-	38.54	-	-	-	38.54
Premium on conversion of CCPSs	-	-	77.26	-	-	77.26
Premium on issue of equity shares	-	-	1,564.75	-	-	1,564.75
Deferred tax liability reversed on CCDs/CCPSs	-	-	-	-	54.37	54.37
Transfer to statutory reserve	201.53	-	-	-	(201.53)	-
Balance as on March 31, 2020	932.84	66.58	14,547.77	81.21	3,538.91	19,167.31
Profit for the year	-	-	-	-	223.08	223.08
Other Comprehensive Income for the year	-	-	-	-	4.98	4.98
Transfer to special reserve	44.62	-	-	-	(44.62)	-
Share options exercised during the year	-	74.37	-	-	-	74.37
Premium on issue of equity shares	-	-	8,947.58	-	-	8,947.58
Balance as on March 31 2021	977.46	140.95	23,495.35	81.21	3,722.35	28,417.32

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Statement of Change in Equity referred to in our report of even date

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: June 21, 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
Place: NEW DELHI
Date: June 21, 2021

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179
Place: LONDON
Date: June 21, 2021

Krishan Gopal
(Chief Financial Officer)
Place: GURUGRAM
Date: June 21, 2021

Sahil Pahwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: June 21, 2021

DMI Finance Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2021

1. **Corporate information**

DMI Finance Private Limited (the "Company") is a Company domiciled in India as a Private Limited Company. The Company is registered with the Reserve Bank of India ("RBI") as a non-deposit accepting non-banking financial company or NBFC-ND under the Reserve Bank of India Act, 1934.

The Company is engaged in the business of providing loans to corporate and unsecured personal loans.

2. **Basis of preparation**

(a) **Statement of compliance in preparation of financial statements**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).
The standalone financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 21, 2021.

The standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

(b) **Presentation of financial statements**

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when Ind AS specifically permits the same or it has an unconditionally legally enforceable rights to offset the recognized amounts without being contingent on future events. Similarly, the Company offsets the income and expenses and reports the same on a net basis when permitted by Ind AS specifically.

3. **Significant accounting policies**

(a) **Use of estimates, judgements and assumptions**

The preparation of Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and future periods are affected. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Impairment loss on financial assets

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 6.1 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at Mach 31, 2021.

ii) Business Model Assumption

Classification and measurement of financial assets depends on the results of the SPPI and the business model tests. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

iii) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) Share Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

v) Fair value measurement

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account.

(c) Recognition of income and expense

i) Interest income

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extant recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income.

ii) Interest expense

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses, provided these are incremental costs that are directly related to the issue of a financial liability.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

iii) Other charges and other interest
Overdue charges including penal interest is recognized on realization basis.

iv) Dividend income
Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Where the Company is lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

I) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section m (ii) Impairment of non-financial assets.

II) Lease Liability
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short Term Lease
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as and when due.

(e) Property, plant and equipment (PPE) and Intangible assets

PPE

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebate are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and Loss when the assets is derecognized.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(f) Depreciation and amortization

Depreciation

Depreciation on PPE is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives of the assets, prescribed under Schedule II to the Companies Act, 2013 which also represents the estimate of the useful life of the assets by the management.

PPE costing upto Rs.5,000 individually are fully depreciated in the year of purchase.

The company has used the following rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management (years)	Rate of Depreciation
Furniture and fixtures	10	25.89%
Computers	3	63.16%
Vehicles	8	31.23%
Office equipment	5	45.07%

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized on a WDV basis a period of five years from date when the assets are available for use. The amortization period and the amortization method for intangible assets are reviewed at the end of each financial year.

(g) Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognised in the financial statements.

(h) Retirement and other employee benefits

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to

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provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.
The Company operates following employee benefit plans:

i) Employee Provident Fund
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

ii) Gratuity
In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

iii) Leaves
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

(i) Taxes

Tax expense comprises current and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Earning per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(k) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share option outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments/Loan portfolio at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)

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Debt Instruments/Loan portfolio at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, where the Company's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Company's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3 (m)).

Debt Instruments at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and fair value changes relating to market movements selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investments and Mutual funds

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using effective interest method.

Reclassification of financial assets and liabilities

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

De-recognition of financial asset and financial liability

Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset
  or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset
  or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

Financial Liabilities
Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(m) Impairment of financial assets

i) Overview of principles for measuring expected credit loss ("ECL") on financial assets

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12 month period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I
These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II
Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III
All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Methodology for calculating ECL
The mechanics of the ECL calculation involve the use of following key elements:

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Company.

Exposure at default (EAD) – It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAS by the Company. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Company uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

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Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Definition of default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

Collateral repossessed

The Company's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is lower at repossession date.

Write-offs

Financial-assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit and loss account.

II) Non-financial asset

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(n) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

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The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

- Level 3 financial instruments – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

(o) Dividend

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(p) Foreign Currency Translation

Foreign currency transactions and balances

Initial recognition:
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences:
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

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(All Amount in Rs. In millions, unless otherwise stated)

4 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.08	0.12
Balance with banks		
- balance in cash credit accounts	369.80	225.30
- balance in current accounts	2,106.38	965.47
	2,476.26	**1,190.89**

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months but less than 12 months*	267.21	15.20
	267.21	**15.20**

* Deposits being lien marked against corporate credit cards and bank guarantee.

6 Trade receivables

Unsecured considered good	54.64	33.65
	54.64	**33.65**
Less: Impairment loss allowance	-	-
Total	**54.64**	**33.65**

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7 Loans

	As at March 31, 2021			As at March 31, 2020		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans	13,764.95	142.83	**13,907.78**	12,461.25	120.76	**12,582.01**
Consumer loans	19,528.30	-	**19,528.30**	22,141.27	-	**22,141.27**
Total (A) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	**2,022.47**	1,365.92	3.85	**1,369.77**
Total (A) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**
(B)						
Secured by tangible assets and intangible assets	13,764.95	142.83	13,907.78	12,461.25	120.76	12,582.01
Unsecured	19,528.30	-	19,528.30	22,141.27	-	22,141.27
Total (B) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	2,022.47	1,365.92	3.85	1,369.77
Total (B) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**
(C) Sector						
Public sector	-	-	-	-	-	-
Others	33,293.25	142.83	33,436.08	34,602.52	120.76	34,723.28
Total (C) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	2,022.47	1,365.92	3.85	1,369.77
Total (C) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**
(D)						
In India	33,293.25	142.83	33,436.08	34,602.52	120.76	34,723.28
Outside India	-	-	-	-	-	-
Total (D) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	2,022.47	1,365.92	3.85	1,369.77
Total (D) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) The Company has granted certain loans to employees amounting to Rs. 12.14 millions in current year (previous year: Rs. 18.81 millions)

iv) Corporate loan portfolio includes non-convertible debentures of Rs. 2,385.18 millions (previous year: Rs. 2,426.45 millions)

v) During the year, the Company invoked the shares pledged as security against the Non-performing loan given to one of the borrower. The management of the Company intented to recover the outstanding dues from the said borrower. The management of the Company, if required to recover, shall sale these shares and after recovering all the overdues on the loan the Company intend to refund the surplus (if any) to the said borrower.

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7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	18,184.57	1,343.73	-	19,528.30	20,656.64	1,193.85	290.78	22,141.27
Less: Impairment loss allowance	82.47	321.54	-	404.01	206.57	142.66	290.78	640.01
Net carrying amount	**18,102.10**	**1,022.19**	-	**19,124.29**	**20,450.07**	**1,051.19**	-	**21,501.26**

Corporate loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	12,836.22	-	1,071.56	13,907.78	10,282.55	1,218.12	1,081.34	12,582.01
Less: Impairment loss allowance	981.04	-	637.43	1,618.46	152.19	26.24	551.34	729.77
Net carrying amount	**11,855.18**	-	**434.13**	**12,289.32**	**10,130.36**	**1,191.88**	**530.00**	**11,852.24**

Summary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,265.67	280.64	351.99	2,898.29	2,187.67	-	339.00	2,526.67
Less: Impairment loss allowance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.95
Net carrying amount	**1,923.40**	**278.06**	**101.70**	**2,303.17**	**2,164.67**	-	**161.05**	**2,325.72**

An analysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**20,656.64**	**1,193.85**	**290.78**	**22,141.27**	**9,533.88**	**447.22**	**161.36**	**10,142.46**
New Assets originated, Netted off for repayments and loans derecognised during the year	(1,839.60)	(483.70)	(289.67)	(2,612.97)	11,074.28	896.40	28.13	11,998.81
Transfers from Stage 1	(678.04)	678.04	-	-	(452.70)	278.16	174.54	-
Transfers from Stage 2	44.80	(44.80)	-	-	378.32	(428.76)	50.44	-
Transfers from Stage 3	0.77	0.34	(1.11)	-	122.86	0.83	(123.69)	-
Gross carrying amount closing balance	**18,184.57**	**1,343.73**	-	**19,528.30**	**20,656.64**	**1,193.85**	**290.78**	**22,141.27**

Corporate loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**10,282.55**	**1,218.12**	**1,081.34**	**12,582.01**	**10,269.10**	**813.96**	**564.37**	**11,647.43**
New Assets originated, Netted off for repayments and loans derecognised during the year	1,335.55		(9.78)	1,325.77	1,077.50	51.11	(194.03)	934.58
Transfers from Stage 1	-	-	-	-	(1,273.04)	776.86	496.18	-
Transfers from Stage 2	1,218.12	(1,218.12)	-	-	-	(423.81)	423.81	-
Transfers from Stage 3	-	-	-	-	208.99	-	(208.99)	-
Gross carrying amount closing balance	**12,836.22**	-	**1,071.56**	**13,907.78**	**10,282.55**	**1,218.12**	**1,081.34**	**12,582.01**

An analysis of changes in the gross carrying amount of Investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,187.67**	-	**339.00**	**2,526.67**	3,025.46	352.13	-	**3,377.59**
New Assets originated, Netted off for repayments and loans derecognised during the year	358.64		12.99	371.63	(498.79)	(352.13)	-	**(850.92)**
Transfers from Stage 1	(280.64)	280.64		-	(339.00)	-	339.00	-
Transfers from Stage 2	-			-	-	-	-	-
Transfers from Stage 3				-	-	-	-	-
Gross carrying amount closing balance	**2,265.67**	**280.64**	**351.99**	**2,898.29**	**2,187.67**	-	**339.00**	**2,526.67**

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	206.57	142.66	290.78	640.01	29.36	1.26	161.36	191.98
Change in ECL due to change in ECL model rate	(19.25)	102.71	-	83.46	10.36	0.99	-	11.35
New Assets originated, Netted off for repayments and loans derecognised during the year	(101.99)	(75.44)	1,546.80	1,369.37	369.76	161.13	237.21	768.10
Transfers from Stage 1	(3.07)	162.25	-	159.18	(207.92)	33.38	174.54	-
Transfers from Stage 2	0.21	(10.72)	-	(10.51)	3.78	(54.22)	50.44	-
Transfers from Stage 3	-	0.08	-	0.08	1.23	0.12	(1.35)	-
Write Offs	-	-	(1,837.58)	(1,837.58)	-	-	(331.42)	(331.42)
Gross carrying amount closing balance	82.47	321.54	-	404.01	206.57	142.66	290.78	640.01

Corporate loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	152.19	26.24	551.34	729.77	110.62	35.62	250.19	396.43
Change in ECL due to change in ECL model rate	395.60		88.29	483.89	30.34	5.74	0.03	36.11
New Assets originated, Netted off for repayments and loans derecognised during the year	407.01		(2.21)	404.80	347.99	138.20	102.69	588.88
Transfers from Stage 1	-	-	-	-	(339.21)	13.98	325.23	-
Transfers from Stage 2	26.24	(26.24)	-	-	-	(167.30)	167.30	-
Transfers from Stage 3	-	-	-	-	2.45	-	(2.45)	-
Write Offs	-	-	-	-	-	-	(291.65)	(291.65)
Gross carrying amount closing balance	981.04	-	637.43	1,618.46	152.19	26.24	551.34	729.77

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	23.00	-	177.95	200.95	35.46	45.29	-	80.75
Change in ECL due to change in ECL model rate	280.99		65.52	346.51	(3.25)	-	-	(3.25)
ECL on new assets originated, netted off for repayments and loans derecognised during the year	40.79	0.05	6.82	47.66	168.74	(45.29)	-	123.45
Transfers from Stage 1	(2.52)	2.52		-	(177.95)	-	177.95	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.95

7.2 Collateral

In case of corporate term loans the Company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others

In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments.

Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2021	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A)						
Equity instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	4.99	4.99
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.27	3.27	-	3.27
Equity shares in McNally Bharat Engineering Company Limited	-	25.12	-	25.12	-	25.12
Equity shares in Flash Electronics Private Limited	-	-	304.40	304.40	-	304.40
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	226.20	226.20	-	226.20
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	312.78	-	312.78	-	312.78
Mutual funds						
1,844,321 units in HDFC Liquid Fund - Direct Plan - Growth	-	7,461.24	-	7,461.24	-	7,461.24
1,893,629 units in SBI Liquid Fund Direct Growth		6,100.55		6,100.55	-	6,100.55
213,248 units in Baroda Pioneer Liquid Fund - Plan B Growth		505.24		505.24	-	505.24
1,666,137 units in ICICI Prudential Liquid Fund Direct Plan Growth		507.74		507.74	-	507.74
Debt instruments						
500 units of State Bank of India Series - II non convertible debenture	526.75	-	-	526.75	-	526.75
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	826.47	826.47	-	826.47
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	209.85	-	71.73	281.58	-	281.58
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	596.12	-	-	596.12	-	596.12
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.08	352.00	-	352.00
705 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	566.44	-	244.80	811.24	-	811.24
211 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	28.81	-	2.07	30.88	-	30.88
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	11.01	11.01	-	11.01
Total (A) Gross	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (A) Net	1,698.63	15,106.78	1,676.17	18,481.58	6.94	18,488.52
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Total (B) Gross	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (B) Net	1,698.63	15,106.78	1,676.17	18,481.58	6.94	18,488.52

* At cost

Notes:

(i) Credit substitutes are part of financing activities.

(ii) Refer note 7.1 for movement of ECL and gross carrying amount of CCDs and NCDs.

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As at March 31, 2020	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A)						
Equity instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	4.25	4.25
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.16	3.16	-	3.16
Equity shares in McNally Bharat Engineering Company Limited	-	7.20	-	7.20	-	7.20
Equity shares in Flash Electronics Private Limited	-	-	250.00	250.00	-	250.00
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	226.20	226.20	-	226.20
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	303.30	-	303.30	-	303.30
Mutual funds						
1,869,020 units in HDFC Liquid Fund - Direct Plan - Growth Option	-	7,301.53	-	7,301.53	-	7,301.53
15,00,348 units in SBI Liquid Fund Direct Growth		4,664.61	-	4,664.61	-	4,664.61
156 units in Baroda Pioneer Liquid Fund - Plan B Growth		0.36	-	0.36	-	0.36
Debt instruments						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 fully paid up	-	-	773.17	773.17	-	773.17
Credit Substitutes						
471 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	274.22	-	94.98	369.20	-	369.20
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	541.08	-	-	541.08	-	541.08
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	166.53	-	172.46	338.99	-	338.99
570 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	352.09	-	152.14	504.23	-	504.23
Other instruments						
Security receipts in Alchemist XV Trust	-	195.00	-	195.00	-	195.00
Units of DMI AIF Special Opportunities Scheme	-	-	10.80	10.80	-	10.80
Total (A) - Gross	1,333.92	12,472.00	1,682.91	15,488.83	6.20	15,495.03
Less: Impairment loss allowance	106.40	-	94.55	200.95	-	200.95
Total (A) Net	1,227.52	12,472.00	1,588.36	15,287.88	6.20	15,294.08
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	1,333.92	12,472.00	1,682.91	15,488.83	6.20	15,495.03
Total (B) - Gross	1,333.92	12,472.00	1,682.91	15,488.83	6.20	15,495.03
Less: Impairment loss allowance	106.40	-	94.55	200.95	-	200.95
Total (B) - Net	1,227.52	12,472.00	1,588.36	15,287.88	6.20	15,294.08

* At cost

Notes:

(i) Credit substitutes are part of financing activities.

(ii) Refer note 7.1 for movement of ECL and gross carrying amount of CCDs and NCDs.

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9 Other financial assets (at amortized cost)

	As at March 31, 2021	As at March 31, 2020
Security deposit	21.17	21.04
First loss default guarantee recoverable	1,114.82	44.81
Others	899.86	500.38
Total	**2,035.85**	**566.23**

10 Current tax assets

Advance income-tax (net)	214.39	154.51
	214.39	**154.51**

11 Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	82.80	75.07
Difference in income recognition on unrealized gain on mutual fund investments	69.48	16.75
Total deferred tax liabilities	**152.28**	**91.82**
Deferred tax asset		
Provision for employee benefits	14.28	9.55
Difference in written down value as per Companies Act and Income-tax Act	6.47	5.91
EIR adjustment for processing fee	30.81	-
Liability against leases	7.44	3.96
Impairment loss allowance	640.90	366.51
Carry forward of interest disallowed u.s 94B	25.67	25.67
Gross deferred tax asset	**725.57**	**411.60**
Net Deferred Tax (Liability)/ Asset	**573.29**	**319.78**

Movement of deferred tax assets	As at March 31, 2020	Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2021
Liabilities				
Fair value of financial instruments	75.07	6.67	1.06	82.80
Difference in income recognition on unrealized gain on mutual fund investments	16.75	52.73	-	69.48
Assets				
Provision for employee benefits	9.55	5.34	(0.61)	14.28
Difference in written down value as per Companies Act and Income-tax Act	5.91	0.56	-	6.47
EIR adjustment for processing fee	-	30.81	-	30.81
Liability against leases	3.96	3.48	-	7.44
Impairment loss allowance	366.51	274.39	-	640.90
Carry forward of interest disallowed under section 94B	25.67	-	-	25.67
Total (net)	**319.78**	**255.19**	**(1.67)**	**573.29**

Movement of deferred tax assets	As at March 31, 2019	Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income / other equity	As at March 31, 2020
Liabilities				
Interest component on CCD and CCPS	54.58	-	(54.58)	-
Fair value of financial instruments	118.94	(19.87)	(24.00)	75.07
Difference in income recognition on unrealized gain on mutual fund investments	15.25	1.50	-	16.75
Assets				
Provision for employee benefits	5.52	3.53	0.50	9.55
Difference in written down value as per Companies Act and Income-tax Act	4.14	1.77	-	5.91
Liability against leases	-	3.96	-	3.96
Impairment loss allowance	194.86	171.65	-	366.51
Carry forward of interest disallowed under section 94B	29.68	(4.01)	-	25.67
Total (net)	**45.43**	**195.27**	**79.08**	**319.78**

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12 Property, plant and equipment

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold improvements	Right-of-use asset	Total
Gross carrying amount							
Balance as at April 1, 2019	1.59	19.40	6.42	15.06	72.33	-	114.80
Re-classification adjustment	(0.62)	(0.33)	-	0.65	-	-	(0.30)
Additions	0.50	9.72	-	15.68	68.91	293.91	388.72
Disposals	-	-	(1.06)	-	-	-	(1.06)
Balance as at March 31, 2020	1.47	28.79	5.36	31.39	141.24	293.91	502.16
Additions	0.41	8.52	-	0.47	-	-	9.40
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	1.88	37.31	5.36	31.86	141.24	293.91	511.56
Accumulated depreciation							
Balance as at April 1, 2019	0.59	13.71	4.08	8.74	17.54	-	44.66
Re-classification adjustment	(0.03)	(1.33)	-	0.06	-	-	(1.30)
Charge for the year	0.13	7.40	0.71	6.39	12.40	45.24	72.27
Disposals	-	-	(1.00)	-	-	-	(1.00)
Balance as at March 31, 2020	0.69	19.78	3.79	15.19	29.94	45.24	114.63
Charge for the year	0.21	7.76	0.48	7.23	16.43	37.96	70.07
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	0.90	27.54	4.27	22.42	46.37	83.20	184.70
Net block							
At March 31, 2020	0.78	9.01	1.57	16.20	111.30	248.67	387.53
At March 31, 2021	0.98	9.77	1.09	9.44	94.87	210.71	326.86

13 Intangible assets

	Software	Total
Gross carrying amount		
Balance as at April 1, 2019	8.63	8.63
Re-classification adjustment	0.30	0.30
Additions	6.73	6.73
Disposals	-	-
Balance as at March 31, 2020	15.66	15.66
Additions	24.25	24.25
Disposals	-	-
Balance as at March 31, 2021	39.91	39.91
Amortization		
Balance as at April 1, 2019	2.68	2.68
Re-classification adjustment	1.30	1.30
Additions	4.13	4.13
Disposals	-	-
Balance as at March 31, 2020	8.11	8.11
Additions	9.00	9.00
Disposals	-	-
Balance as at March 31, 2021	17.11	17.11
Net block		
At March 31, 2020	7.55	7.55
At March 31, 2021	22.80	22.80

Notes
i) There are no pending contractual commitments to be executed on capital account.
ii) During the previous year, some of the assets were reclassified as office equipment and intangible assets from furniture & fixtures and computers.

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14 Other non- financial assets

	As at March 31, 2021	As at March 31, 2020
Capital advance	6.13	9.14
Prepaid expenses	87.70	45.40
Balances with statutory / government authorities	-	49.19
Deferred rent expenses	0.10	0.10
Other non-financial assets	0.73	0.49
Total	**94.66**	**104.32**

15 Assets held for sale

Assets under settlement	189.85	189.85
	189.85	**189.85**

These assets represent assets acquired from the Company's borrowers as a part of Company's risk management strategy. In these cases, the Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Company and borrower to transfer the asset in the name of the Company towards settlement of the loan amount.

16 Trade payables

Total outstanding dues of Micro Enterprises and Small Enterprises *	110.75	78.68
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	194.95	161.37
Total	**305.70**	**240.05**

*** Details of total outstanding dues of Micro Enterprises and Small Enterprises are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	110.75	78.68
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

17 Debt securities (at amortised cost)

Non convertible debentures (refer note 17.1)	18,551.69	20,547.57
Optionally convertible debentures (refer note 17.2)	-	2,250.00
	18,551.69	**22,797.57**
Secured **	498.69	4,744.57
Unsecured	18,053.00	18,053.00
Total	**18,551.69**	**22,797.57**
Debt securities in India	18,551.69	22,797.57
Debt securities outside India	-	-
Total	**18,551.69**	**22,797.57**

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company of Rs. 725 millions (previous year Rs. 7,620.21 millions).

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17.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2021	Amount outstanding as at March 31, 2020	Terms of redemption
INE604C07035	June 15, 2018	June 14, 2020	10,00,000	1,500	9.45%	1,500.00	-	1,498.34	24 months from the date of allotment. Coupon payment to be made half yearly
INE604C07100	July 18, 2019	August 17, 2020	10,00,000	900	10.35%	900.00	-	896.61	Series A: On August 17, 2020 Series B: On July 16, 2021 Series C: On July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
INE604C07118	July 18, 2019	July 16, 2021	10,00,000	950	10.35%	950.00	-	49.81	Series A: On August 17, 2020 Series B: On July 16, 2021 Series C: On July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
INE604C07126	July 18, 2019	July 15, 2022	10,00,000	1,000	10.35%	1,000.00	-	49.81	Series A: On August 17, 2020, Series B: On July 16, 2021 and Series C: On July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
INE604C07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500.00	498.69	-	On or prior to 36 months from the first allotment date. Coupon payment frequency is yearly
Total							498.69	2,494.57	

All secured against first pari passu charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2021	Amount outstanding as at March 31, 2020	Terms of redemption
INE604C07142	November 1, 2019	December 1, 2020	100	2,00,00,000	10.35%	2,000.00	1,160.00	1,160.00	On or prior to 13 months from the first allotment date. Coupon payment frequency is quarterly
INE604C07134	November 8, 2019	December 8, 2020	100	25,00,000	10.35%	250.00	2,040.00	2,040.00	On or prior to 13 months from the first allotment date. Coupon payment frequency is quarterly
INE604C08082	November 25, 2019	November 25, 2023	10,00,000	2,040.00	8.50%	2,040.00	2,040.00	2,040.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604C08090	December 10, 2019	December 10, 2023	10,00,000	867.00	8.50%	867.00	867.00	867.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604C08108	February 20, 2020	February 20, 2024	10,00,000	7,172.00	8.50%	7,172.00	7,172.00	7,172.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604C08124	February 28, 2020	February 28, 2024	10,00,000	4,640.00	9.50%	4,640.00	4,640.00	4,640.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604C08116	March 12, 2020	March 12, 2024	10,00,000	134.00	8.50%	134.00	134.00	134.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
Total							18,053.00	18,053.00	

17.2 Terms of redeemable optionally-convertible debentures (OCD's)
Secured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2021	Amount outstanding as at March 31, 2020	Terms of redemption
INE604C08066	October 1, 2019	October 1, 2022	10,00,000	1,160.00	10.35%	1,160.00	-	2,000.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly.
INE604C08074	October 21, 2019	October 21, 2022	10,00,000	2,040.00	10.35%	2,040.00	-	250.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly.
Total							-	2,250.00	

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18 Borrowings (other than debt securities) (at amortised cost)

	As at March 31, 2021	As at March 31, 2020
Secured*		
Term loans		
From banks	1,181.19	2,824.83
Liabilities against leased assets	242.29	266.45
	1,423.48	**3,091.28**
Borrowings in India	1,423.48	3,091.28
Borrowings outside India	-	-
Total	**1,423.48**	**3,091.28**

*Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 2,397.07 millions (Previous year: Rs. 4,651.98 millions).

Terms of repayment of borrowings as on March 31, 2021 are as follows:

Lender	Repayment	Rate of interest	Security cover	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020
HDFC Bank	16 quarterly installments	>6%<12%	133%	56.21	131.04
HDFC Bank	12 monthly installments	>6%<12%	133%	-	186.70
Kotak Mahindra Bank	12 quarterly installments	>6%<12%	133%	-	49.96
Union Bank of India	14 quarterly installments	>6%<12%	133%	-	248.35
Union Bank of India	14 quarterly installments	>6%<12%	133%	27.17	354.04
AU Small Finance Bank	36 monthly installments	>6%<12%	110%	0.92	162.22
AU Small Finance Bank	36 monthly installments	>6%<12%	110%	-	191.21
South Indian Bank	14 quarterly installments	>6%<12%	133%	85.61	170.84
Lakshmi Vilas Bank-III	12 quarterly installments	>6%<12%	133%	-	166.02
Bank of Baroda-I	16 quarterly installments	>6%<12%	133%	494.24	737.18
Bank of Baroda-2	16 quarterly installments	>6%<12%	133%	497.05	-
Hinduja Leyland Finance	36 monthly installments	>6%<12%	110%	-	427.27
SIDBI	7 monthly installments	>6%<12%	125%	20.00	-
Total				**1,181.20**	**2,824.83**

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19 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due		
- Debt securities	156.43	215.41
- Borrowings other than debt securities	0.67	6.34
Expenses payable	95.28	57.29
Other financial liabities	377.49	196.34
	629.87	**475.38**

20 Provisions

Provision for gratuity	22.78	17.08
Provision for compensation absences	33.95	20.87
	56.73	**37.95**

21 Other non-financial liabitilies

Statutory dues payable	44.65	40.57
Others*	291.92	174.05
Total	**336.57**	**214.62**

* Include processing fee refundable to channel partners, advance received from borrowers and amount collected from borrowers as Debt service reserve account (DSRA).

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22 Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	96,50,00,000	9,650.00	96,50,00,000	9,650.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	1,00,00,00,000	10,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	64,20,35,533	6,420.36	55,89,79,166	5,589.79
Sub total (A)	64,20,35,533	6,420.36	55,89,79,166	5,589.79
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	3.15
Sub total (B)	5,73,15,400	16.22	5,73,15,400	3.15
Total (A+B)	69,93,50,933	6,436.58	61,62,94,566	5,592.94

22.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	61,62,94,566	5,592.94	52,09,57,897	5,209.58
Shares issued during the year	8,30,56,367	830.57	7,52,79,865	182.79
Shares issued pursuant to conversion of compulsorily convertible preference shares	-	-	2,00,56,804	200.57
First call money called on party paid up shares	-	13.07	-	-
Balance at the end of year	69,93,50,933	6,436.58	61,62,94,566	5,592.94

22.2 Shares held by holding Company

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	74.34%	43,89,39,922	71.22%
	51,98,89,603	74.34%	43,89,39,922	71.22%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

22.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	51,98,89,603	74.34%	43,89,39,922	71.22%
NIS Ganesha S.A.	6,47,35,441	9.26%	6,47,35,441	10.50%
K2VZ (refer (i) below)	5,73,15,400	8.20%	5,73,15,400	9.30%

Note: As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) During the previous year, 57,315,400 equity shares of Rs. 10 each issued on partly-paid up basis where subscription amount being received on allotment was Rs. 32.11 millions as paid up value of Rs. 0.56 per share inclusive of premium of Rs. 0.51 per share calculated proportionately. Further during the current year, the Board of Directors of the Company made the first call of Rs. 2.32 per equity shares (including Rs. 2.09 per share on account of security premium) on 57,315,400 partly paid equity shares. Accordingly, the Company received an amounting to Rs. 133.13 million.

(ii) During the current year, the Company has issued 83,056,367 equity shares comprising of 80,949,681 of Rs. 10 per share at Rs. 116.36 per share (including premium of Rs. 106.36 per share) and 2,106,686 equity shares of Rs. 10 per share at Rs. 113.34 per share (including Rs. 103.34 per share). The amount received on these issues aggregates to Rs. to Rs. 9,658.08 million.

(ii) The Company had issued 2,7783,195 Compulsorily Convertible Preference Shares ("CCPS") namely Series B, Series C, Series D, Series E, Series F and Series G to different holders from time to time. As per the terms of issue of CCPS, the CCPS were converted into 2,00,56,804 ordinary equity shares of the Company on November 8, 2019.

22.4 Rights, preferences and restrictions

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

22.5 Aggregate number of shares issued for consideration other than cash during the five years

The Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

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23 Other equity

	As at March 31, 2021	As at March 31, 2020
Securities premium	23,495.35	14,547.77
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	977.46	932.84
Share option outstanding account	140.95	66.58
Retained earnings	3,722.35	3,538.91
Total	**28,417.32**	**19,167.31**

Security premium
Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013

Capital redemption reserve
The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares

Statutory reserve u/s 45-IC of RBI Act
The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Share option outstanding account
The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

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24 Interest income

	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest on portfolio loans	6,394.70	18.35	5,726.94	6.47
Interest on investments	286.79	175.86	182.57	155.58
Interest on deposits	34.94	-	6.49	-
	6,716.43	**194.21**	**5,916.00**	**162.05**
Total interest income		**6,910.64**		**6,078.05**

25 Fees and commission income

	Year ended March 31, 2021	Year ended March 31, 2020
Commission on card reload	18.48	45.28
Others	20.31	6.75
	38.79	**52.03**

26 Net gain on fair value changes

Net gain on financial instruments at fair value through profit and loss		
Investments	591.04	225.77
	591.04	**225.77**
Analysis of fair value changes		
Realised	355.03	202.87
Unrealised	236.01	22.90
Total	**591.04**	**225.77**

27 Other income

Cost sharing from group companies	104.04	90.27
Miscellaneous income	-	0.02
Total	**104.04**	**90.29**

28 Finance costs

Interest		
- on non convertible debentures	1,699.45	952.03
- on bank term loan	141.75	396.28
- on bank cash credit	0.32	10.42
- on delayed deposit of statutory dues	0.81	0.20
- on leasing arrangements	24.54	20.86
Other borrowing costs	63.07	75.21
Total	**1,929.94**	**1,455.00**

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29 Fees and commission expense

	Year ended March 31, 2021	Year ended March 31, 2020
Selling partner commission	903.63	843.03
	903.63	**843.03**

30 Impairment on financial instruments

	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost
Loans	0.75	651.95	1.65	779.71
Investments	98.31	295.86	71.72	48.48
Write offs	-	1,801.87	-	631.58
Total	**99.06**	**2,749.68**	**73.37**	**1,459.77**
		2,848.74		**1,533.14**

31 Employee benefits expense

Salaries, wages and bonus	574.90	493.27
Contribution to provident and other funds	29.95	24.14
Share based payment to employees	75.78	40.90
Staff welfare expenses	18.36	15.04
Total	**698.99**	**573.35**

32 Depreciation and amortization

Depreciation on property, plant and equipment	70.07	72.27
Amortisation of intangible assets	9.00	4.13
	79.07	**76.40**

33 Other expenses

Advertisement expenses	18.67	13.30
Legal and professional fees	353.28	163.47
Travelling and conveyance expenses	4.40	28.57
Auditor's remuneration (refer note 33.1)	4.04	3.78
IT expenses	145.65	88.91
Rates and taxes	1.55	2.46
Rent	12.65	8.51
Director's sitting fee	0.56	0.16
Corporate social responsibility (refer note 33.2)	23.62	21.30
Repair and maintenance	7.30	12.29
Insurance expense	0.10	0.04
Credit evaluation fee	116.07	35.49
Credit rating fee	2.05	9.10
Customer onboarding expenses	2.28	12.88
Miscellaneous expenses	179.90	221.27
Total	**872.12**	**621.53**

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33 Auditor's remuneration (excluding applicable taxes)

	Year ended March 31, 2021	Year ended March 31, 2020
- as auditors	3.05	2.65
- for tax services	0.03	0.29
- for other services	0.96	0.84
	4.04	**3.78**

33 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was Rs. 23.62 millions in FY 2020-21 (Previous Year Rs. 21.30 millions) and Company has spent Rs. 23.62 millions in FY 2020-21 (Previous Year Rs. 21.30 millions).

For the year ended March 31, 2021	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	-
On purpose other than above	23.62	-	23.62

For the year ended March 31, 2020	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	-
On purpose other than above	21.30	-	21.30

34 Earning per share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to equity shareholders	**223.08**	**990.89**
Net profit for the year for basic EPS	223.08	990.89
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	**223.08**	**990.89**
Nominal value of equity shares (In Rs.)	**10.00**	**10.00**
Weighted-average number of equity shares for basis EPS	63,55,56,623	55,60,99,064
Effect of dilution		
Convertible instruments	28,00,936	28,00,936
Weighted-average number of equity shares for dilutive EPS	**69,64,77,457**	**55,89,00,000**
Basic EPS	0.35	1.78
Dilutive EPS	0.32	1.77

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35 Retirement benefit plan

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 8.18 millions (previous year: Rs. 6.69 millions) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive Income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year	17.08	8.25
Current service cost	6.99	6.19
Interest cost	1.15	0.64
Remeasurement (gain) / loss	(2.44)	2.00
Balance at the end of the year	**22.78**	**17.08**

Amount recognised in the statement of profit and loss is as under:	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Current service cost	6.99	6.19
Interest cost on defined benefit obligation	1.15	0.64
Net impact on profit before tax	**8.14**	**6.83**

Amount recognised in the other comprehensive income:	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	(0.01)
Actuarial changes arising from changes in financial assumptions	-	2.12
Experience adjustments	(2.44)	(0.11)
Impact on other comprehensive income	**(2.44)**	**2.00**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the company's plans are shown below:

	Year ended March 31, 2021	**Year ended March 31, 2020**
Economic assumptions		
Discount rate	6.76%	6.76%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disablity	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) upto 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

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Sensitivity analysis for gratuity liability	Year ended March 31, 2021	Year ended March 31, 2020
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(1.73)	(1.33)
Impact due to decrease of 0.50 %	1.91	1.47
Impact of the change in salary increase		
Impact due to increase of 0.50 %	1.92	1.48
Impact due to decrease of 0.50 %	(1.75)	(1.34)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
0 to 1 year	0.23	0.16
1 to 2 year	0.36	0.19
2 to 3 year	0.36	0.29
3 to 4 year	0.39	0.29
4 to 5 year	0.40	0.30
5 to 6 year	0.38	0.29
6th year onwards	20.66	15.56
Total expected payments	**22.78**	**17.08**

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 20.27 years (2020 is 20.36 years)

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36 Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for its Group employees. Details of all grants in operation during the Year ended March 31, 2021 are as given below:

Scheme Name	DMI ESOP Plan 2019	DMI ESOP Retention Plan 2019	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Date of grant	01-Apr-19	16-Mar-20	19-Mar-18	01-Apr-18	01-Oct-18	01-Apr-18	16-Feb-21	21-Apr-20	01-Apr-20	01-Jan-21
Date of Board / Committee approval	11-Feb-20	11-Feb-20	16-Mar-18	16-Mar-18	01-Oct-18	16-Mar-18	09-Apr-20	09-Apr-20	09-Apr-20	09-Apr-20
Number of Options granted	6,88,660	14,00,000	3,22,023	14,83,942	6,04,396	18,27,677	23,068	5,80,000	3,99,387	11,355
Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Graded vesting period *	As defined below	As defined below	As defined below	As defined below	As defined below	As defined below	100% after 3 years	As defined below	As defined below	As defined below
Number of employees to whom options were granted	40	10	6	17	5	5	1	18	44	2
First vesting date	31st March 2020	15th March 2021	18th March 2019	31-Mar-19	30-Sep-19	31-Mar-19	15-Feb-24	31-Mar-21	31-Mar-21	31-Mar-21
Exercise period **	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Vesting conditions	DMI ESOP Plan 2019	DMI ESOP Retention Plan 2019	DMI ESOP Plan	DMI Retention Plan, 2018	DMI ESOP Plan, Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Exercise price per option	95.49	100	43.90	46.74	62.21	13.29	113.34	116.36	116.36	113.34
Stock price on the date of grant	95.49	101.87	22.81	24.68	95.49	24.68	113.34	116.36	116.36	113.34

* As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date

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II. Reconciliation of options	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan,Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Options outstanding at the beginning of the year	3,22,023	15,50,442	7,23,981	18,27,677	7,72,377	17,00,000	-	-	-	-
Granted during the year	-	-	-	-	-	-	23,068	5,80,000	3,99,387	11,355
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	66,500	1,19,585	-	83,717	3,00,000	-	-	-	-
Outstanding at the end of the year	**3,22,023**	**14,83,942**	**6,04,396**	**18,27,677**	**6,88,660**	**14,00,000**	**23,068**	**5,80,000**	**3,99,387**	**11,355**
Weighted average remaining contractual life (in years)	1.96	2.00	2.50	2.00	3.00	3.96	4.88	4.00	4.00	4.76

March 31, 2020

II. Reconciliation of options	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan,Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019
Options outstanding at the beginning of the year	3,22,023	15,50,442	7,23,981	18,27,677	-	-
Granted during the year	-	-	-	-	7,72,377	17,00,000
Exercised during the year	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-
Outstanding at the end of the year	3,22,023	15,50,442	7,23,981	18,27,677	7,72,377	17,00,000
Weighted average remaining contractual life (in years)	2.96	3.00	3.50	3.00	4.00	4.96

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III. Computation of fair value

For undertaking fair valuation of ESOP, the Company is using Black-Scholes Model.

ESOP PLAN	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019	DMI ESOP PLAN 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Fair market value of shares (Rs.)	95.49	101.87	22.81	24.68	95.49	24.68	113.34	116.36	116.36	113.34
Volatility	30%	30%	15%	15%	15%	15%	30%	30%	30%	30%
Risk free rate	7.35%	6.50%	6.00%	7.50%	7.50%	7%	6.14%	6.14%	6.14%	6.14%
Exercise price (Rs.)	95.49	100	43.9	46.74	62.21	13.29	113.34	116.36	116.36	113.34
Option fair value	**38.86**	**40.47**	**0.67**	**1.15**	**49.45**	**15.32**	**43.35**	**44.51**	**44.51**	**43.35**

The Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Company. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Company recognies share based compensation in the Statement of Profit and Loss with a corresponding credit to Capital Reserve Account (Share Options Outstanding Account).

The Company has entered into Cost chargeback agreement with the grantor and post this agreement the Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Company, to DMI Housing Finance Private Limited. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account viz Share Options Outstanding Account disclosed under notes.

The company has granted options of DMI Housing Finance Private Limited(Grantor) to its employees for which the Company has entered into Cost chargeback agreement with the Grantor whereby the company would be required to pay the difference in market price and exercise price of the options exercised by the employees of the Company. In the current year, the Company has recognized Rs. 2.16 Millions as share based compensation expense in the Statement of Profit and Loss with a corresponding credit to a liability account which is Rs 9.29 Millions as on March 31,2021.

The employees' compensation expense for Stock options during the year ended 31 March 2021 amounts to Rs.75.78 millions (previous year Rs.40.90 millions).

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37 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Subsidiaries
DMI Management Services Private Limited
DMI Capital Private Limited

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director
Mr. Nipender Kochhar	Director
Mr. Jatinder Bhasin	Chief Financial Officer (upto 17 March 2021)
Mr. Krishan Gopal	Chief Financial Officer (w.e.f. 18 March 2021)
Mr. Sahib Pahwa	Company Secretary

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2VZ, Partnership Firm
DMI Alternative Investment Fund

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
DMI Housing Finance Private Limited	Cost share recovery	70.18	64.44
	Share based payment	2.16	3.92
	Interest on loan	20.78	-
	Repayment of loan	700.00	-
	Reimbursement of expense paid by related party on behalf of entity	-	0.98
DMI Management services Private Limited	Cost share recovery	0.06	0.06
	Repayment of advance	-	17.45
DMI Capital Private Limited	Cost share recovery	0.60	0.60
DMI Alternative Investment Fund	Repayment of loan	800.00	-
	Interest expenses	23.75	-
DMI Alternatives Private Limited	Cost share recovery	33.46	25.17
	Share based payment	0.74	1.55

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Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
DMI Limited	Transfer of Compulsory Convertible Debentures	-	2.17
	Issue of equity shares	9,419.31	1,714.63
Mr. Sahib Pahwa	Loan / advance given	0.48	0.57
	Interest income	0.05	0.06
	Remuneration	4.12	4.03
	Loan received back	0.09	0.08
Mrs. Bina Singh	Transfer of Compulsory Convertible Debentures	-	2.17
	Sitting fee	0.10	0.06
Mr. Yuvraja Chanakya Singh	Remuneration	57.10	57.54
	Post employment benefits	0.36	0.36
	Issue of equity shares	119.39	-
Mr. Shivashish Chatterjee	Remuneration	56.38	56.08
	Post employment benefits	0.36	0.36
	Issue of equity shares	119.39	-
Mrs. Jayati Chatterjee	Sitting fees	0.18	0.16
Mr. Gurcharan Das	Sitting fees	0.10	0.06
Mr. Nipender Kochhar	Sitting fees	0.16	0.16
Mr. Jatinder Bhasin	Remuneration	10.92	12.58
Mr. Krishan Gopal	Remuneration	0.67	-
K2VZ	Issue of equity shares	133.13	32.11

(c) Outstanding balances with related parties:

Name of related party	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Mr. Sahib Pahwa	Loan receivable	0.48	0.57
DMI Housing Finance Private Limited	Loan payable	-	700.00
DMI Alternative Investment Fund	Loan payable	-	800.00
DMI Alternatives Private Limited	ESOP	4.89	4.15

Others
During the Year ended March 31, 2021, the Company has bought back certain non convertible debentures from Mr. Sahib Pahwa for consideration of Rs 0.64 millions (previous year: Nil)

During the Year ended March 31, 2021, the Company has bought back certain non convertible debentures from DMI Housing Finance Private Limited for consideration of Rs 126.48 millions (previous year: Nil)

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38 Impact of COVID 19 pandemic

The COVID-19 pandemic has continued to cause a significant disruption of the economic activities across the globe including India throughout the year, with second wave of the pandemic emerging towards the later part of the financial year in India. The Government of India announced a nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities. Further, pursuant to the Reserve Bank of India ('RBI') COVID-19 Regulatory package issued vide circulars dated March 27, 2020 and May 23, 2020 which allowed lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, and consequently the Company had offered a moratorium to its eligible borrowers until August 31, 2020.

In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the first wave, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions.

In accordance with the CoVID-19 Regulatory Packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to eligible borrowers. For such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e., the number of days past due excluded the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).

Further, on August 6, 2020, the Reserve Bank of India announced Resolution Framework for Covid related stress for personal loans, other eligible exposures and MSMEs (Resolution Framework 1.0) and further on May 5, 2021, Resolution Framework 2.0 was announced by RBI. On the basis of eligibility criteria defined by RBI in Resolution Framework 1.0 and 2.0, the company gave the benefit of restructuring the loan account to borrowers with total loan outstanding amounting to Rs 2,778.92 Millions.

39 Interest on interest

In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/adjustment in these standalone financial statements.

40 During the current year, in compliance with Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to Augut 31, 2020), the Company granted the benefit amounting to Rs. 99.47 millions to its borrowers.

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41 Capital

The Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company endeavors to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2021	As at March 31,2020
Tier 1 CRAR	59.03%	43.31%
Tier 2 CRAR	1.17%	0.69%
Total CRAR	60.20%	44.00%

In case of un-disbursed loan facility, the Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn commitment for the Company are amounting to Nil.

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

42 Contingent liabilities and commitments

Contingent liabilities

The Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 4,447.17 millions as at March 31, 2021 (March 31,2020: Rs. 5,474.59 millions).

During the year, the Company has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of Rs.6.42 millions on account of disallowance of deduction under section 80G of the Income-tax Act, 1961. The Company has appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of Rs. 2.26 million but the Company has already paid the taxes more than by Rs. 2.31 million therefore, the Company is not required to pay any additional demand. In presence of favorable case laws and judicial precedents wherein similar facts have been addressed, the Company expects that the additional demand will be deleted by CIT (A).

Commitments

In case of un-disbursed loan facility, the Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn commitment for the Company are amounting to Nil.

43 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2019	**5,782.28**	**4,138.86**	-	9,921.14
Adoption of Ind AS 116	-	-	293.91	293.91
Cash flows:				-
- Repayment	(4,300.00)	(2,314.54)	(54.80)	(6,669.34)
- Proceeds	21,303.00	980.00		22,283.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	12.29	20.51		32.80
- Others			27.34	27.34
March 31, 2020	**22,797.57**	**2,824.83**	**266.45**	**25,888.85**
Cash flows:				
- Repayment	(4,750.00)	(2,355.33)	(55.18)	(7,160.51)
- Proceeds	500.00	700.00	-	1,200.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	4.12	11.69	-	15.81
- Others	-	-	31.02	31.02
March 31, 2021	**18,551.69**	**1,181.19**	**242.29**	**19,975.17**

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44 Leases

The Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.
The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	248.67	-
Additions made during the year	-	293.91
Depreciation charge for the year	37.96	45.24
Balance at the end of the year	210.71	248.67

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	266.45	-
Additions made during the year	-	293.91
Interest accretion for the year	31.02	27.34
Payments made during the year	(55.18)	(54.80)
Balance at the end of the year	242.29	266.45

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2027-28.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2021	March 31, 2020
Depreciation expense in respect of right-of-use asset	37.96	45.24
Interest expense in respect of lease liabilities	24.54	20.86
Expense relating to short-term leases (included on other expenses)	12.65	8.51
Total amount recognised in profit or loss	**75.15**	**74.61**

The Company's total cash outflows for leases was Rs 48.70 Millions during year (previous year Rs 54.80 Millions)

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45 Tax expenses

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are :

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	344.13	548.07
Deferred tax credit	(255.19)	(195.27)
Income tax expense reported in the statement of profit or loss	**88.94**	**352.80**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March31, 2020: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	312.02	1,343.69
Income-tax rate	25.168%	25.168%
Expected tax expense	**78.53**	**338.18**
Expenditure disallowed	465.26	66.32
Income not subject to tax	0.17	(78.71)
Deductions	(458.23)	25.73
Short term capital gain	-	1.28
Tax for earlier years	3.21	-
Tax expense	**88.94**	**352.80**

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46 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	2,476.26	-	**2,476.26**	1,190.89	-	**1,190.89**
Bank balance other than cash and cash equivalents	267.21	-	**267.21**	15.20	-	**15.20**
Trade receivables	54.64	-	**54.64**	33.65	-	**33.65**
Loans	16,971.61	14,442.00	**31,413.61**	18,347.05	15,006.46	33,353.51
Investments	15,516.25	2,972.27	**18,488.52**	12,285.68	3,008.40	15,294.08
Other financial assets	2,015.59	20.26	**2,035.85**	545.91	20.32	566.23
Non- financal assets						
Current tax assets (net)	214.39	-	**214.39**	154.51	-	**154.51**
Deferred tax assets (net)	-	573.29	**573.29**	-	319.78	**319.78**
Property, plant and equipment	46.26	280.60	**326.86**	34.26	353.27	**387.53**
Intangible assets	-	22.80	**22.80**	-	7.55	**7.55**
Other non- financial assets	94.66	-	**94.66**	104.32	-	**104.32**
Assets held for sale	189.85	-	**189.85**	189.85	-	**189.85**
	37,846.72	**18,311.22**	**56,157.94**	**32,901.32**	**18,715.78**	**51,617.10**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	110.75	-	**110.75**	78.68	-	**78.68**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	194.95	-	**194.95**	161.37	-	**161.37**
Debt securities	-	18,551.69	**18,551.69**	4,744.57	18,053.00	22,797.57
Borrowings (other than debt securities)	600.22	823.26	**1,423.48**	1,473.46	1,617.82	3,091.28
Other financial liabilities	629.87	-	**629.87**	475.38	-	475.38
Non financial liabilities						
Provisions	56.73	-	**56.73**	37.95	-	**37.95**
Other non-financial liabitilies	336.57	-	**336.57**	214.62	-	**214.62**
Equity						
Equity share capital	-	6,436.58	**6,436.58**	-	5,592.94	**5,592.94**
Other equity	-	28,417.32	**28,417.32**	-	19,167.31	**19,167.31**
	1,929.09	**54,228.85**	**56,157.94**	**7,186.03**	**44,431.07**	**51,617.10**

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47 Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

Amount in Rs. crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	3,328.65	140.58	3,188.07	40.71	99.87
	Stage 2	162.44	32.41	130.03	10.74	21.67
Subtotal		3,491.10	172.99	3,318.10	51.45	121.54
Non-Performing Assets (NPA)						
Substandard	Stage 3	1.09	1.09	-	0.09	1.00
Doubtful - up to 1 year	Stage 3	79.75	38.12	41.63	15.55	22.57
1 to 3 years	Stage 3	44.35	40.65	3.70	13.12	27.53
More than 3 years	Stage 3	17.16	8.91	8.25	7.71	1.20
Subtotal for doubtful		141.26	87.68	53.58	36.38	51.30
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		142.35	88.77	53.58	36.47	52.30
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	3,328.65	140.58	3,188.07	40.71	99.87
	Stage 2	162.44	32.41	130.03	10.74	21.67
	Stage 3	142.35	88.77	53.58	36.47	52.30
	Total	3,633.44	261.76	3,371.68	87.92	173.84

48 Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020

(a) SMA/overdue categories, where the moratorium/deferment was extended

Amount in Rs. crores

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular	166.24	708.75
Respective amount where asset classification benefit is extended	-	122.44
Provisions made in terms of paragraph 5 of the circular (as per Para 4, applicable to entities covered under Ind AS) (as of 31 March 2021/ 31 March 2020)	51.03	15.86
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of 31 March 2021/ 31 March 2020 in terms of paragraph 6 of the Circular	51.03	15.86

(b) Asset classification benefit extension

Asset classification benefit has not been given to any account as at 31 March 2021 (previous year benefit was extended to 7,210 accounts having total outstanding of Rs. 122.44 Crore).

49 Segment Information

The Company operates in a single reportable segment i.e. financing which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

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50 Risk management

Introduction and risk profile

The Company is a private finance company in India and is regulated by the Reserve Bank Of India (RBI). In view of the intrinsic nature of operations, the Company is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management struture and policies

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Company manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Company's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Company liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities

March 31, 2021	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	2,476.26	-	-	-	-	-	-	-	2,476.26
Bank balance other than Cash and cash equivalents	-	-	-	261.91	5.30	-	-	-	267.21
Trade receivables	54.64	-	-	-	-	-	-	-	54.64
Loans	4,116.83	2,770.01	2,512.07	5,776.66	6,300.73	15,486.83	3,364.92	785.95	41,114.01
Investments	14,930.65	42.69	553.00	108.14	188.15	737.38	1,770.71	1,595.70	19,926.41
Other financial assets	245.73	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,035.85
Financial liabilities									-
Trade payables	0.35		305.35						305.70
Debt securities	-	282.12	65.28	389.97	781.18	21,171.39			22,689.93
Borrowings (other than debt securities)	29.06	26.91	150.18	154.56	281.90	555.47	191.25	-	1,329.33
Other financial liabilities	95.04	140.74	50.60	254.50	88.90	-	-	-	629.87

March 31, 2020	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	1,190.89	-	-	-	-	-	-	-	1,190.89
Bank balance other than Cash and cash equivalents	3.21	-	-	-	11.99	-	-	-	15.20
Trade receivables	33.65	-	-	-	-	-	-	-	33.65
Loans	2,593.84	2,118.42	2,992.18	6,648.71	8,331.45	14,228.42	3,434.35	1,481.82	41,829.19
Investments	11,975.45	24.62	68.98	147.05	323.03	1,326.79	374.97	2,090.86	16,331.76
Other financial assets	294.35	-	167.18	83.66	0.72	1.41	8.08	10.83	566.23
Financial liabilities									
Trade payables	0.35	-	239.70	-	-	-	-	-	240.05
Debt securities	99.34	341.77	1,584.51	1,482.22	3,111.37	6,231.68	15,900.46	-	28,751.35
Borrowings (other than debt securities)	68.87	164.22	207.04	439.49	790.57	1,602.71	-	-	3,272.90
Other financial liabilities	79.69	159.29	57.79	111.36	67.25	-	-	-	475.38

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the Company's senior management to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Company's overall business strategy and the same is reviewed every quarter by the senior management.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

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Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Company:

March 31, 2021	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	2,476.26	-	-	-	-	-	-	2,476.26
Bank balance other than Cash and cash equivalents	267.21	-	-	-	-	-	-	267.21
Term loans - Corporate (contractual amount of loans)	-	-	9,047.64	-	2,538.08	703.54	-	12,289.26
Term loans - Consumer loans (contractual amount of loans)	-	-	-	434.74	-	18,689.61	-	19,124.35
Trade receivables	-	-	-	-	-	54.64	-	54.64
Investments	15,835.60	-	1,032.21	-	1,600.48	-	20.23	18,488.52
Other financial assets	-	-	-	-	-	2,014.68	21.17	2,035.85
Total	18,579.07	-	10,079.85	434.74	4,138.56	21,462.47	41.40	54,736.09

March 31, 2020	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	1,190.89	-	-	-	-	-	-	1,190.89
Bank balance other than Cash and cash equivalents	15.20	-	-	-	-	-	-	15.20
Term Loans- Corporate(contractual amount of loans)	-	-	7,969.08	28.60	3,172.00	682.56	-	11,852.24
Consumer Loans(contractual amount of loans)		-	-	638.42	-	20,862.85	-	21,501.27
Receivables	-	-	-	-	-	33.65	-	33.65
Investments	12,691.99	-	1,023.16	-	1,559.76	-	19.17	15,294.08
Other financial assets	-	-	-	-	-	545.19	21.04	566.23
Total	13,898.08	-	8,992.24	667.02	4,731.76	22,124.25	40.21	50,453.56

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2021	As at March 31, 2020	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	18,482.34	14,816.33	Equity price
Credit substitutes	281.58	369.20	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	18,551.69	22,797.57	Interest rate
Borrowings (other than debt securities)	1,423.48	3,091.28	Interest rate

(i) Interest rate risk:-

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Company's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Company's net interest income, while a long term impact is on the Company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Company is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Company. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Effect on net profit	
Borrowings	For the year ended March 31, 2021	For the year ended March 31, 2020
Decrease in 50 basis points	7.34	19.55
Increase in 50 basis points	(7.34)	(19.55)

Particulars	Effect on net profit	
Borrowings	For the year ended March 31, 2021	For the year ended March 31, 2020
Decrease in 50 basis points	-	15.12
Increase in 50 basis points	-	(15.12)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's FVOCI equities at 31 March 2021 would have increased equity by Rs. 181.56 millions (Previous year: Rs 168.29 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Company's FVTPL equities at 31 March 2021 would have increased profits by Rs. 1479.40 millions (Previous year: Rs. 1,216.87 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

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51 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.
In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2021				31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	-	14,574.77	-	14,574.77	-	11,966.50	-	11,966.50
Equity shares - Mcnally Bharat Engg Co. Ltd.	25.12	-	-	25.12	7.20	-	-	7.20
Security receipts of Alchemist XV Trust	-	194.11	-	194.11	-	195.00	-	195.00
Compulsorily convertible preference shares in DMI Capital Private Limited	-	-	312.78	312.78	-	-	303.30	303.30
Total financial investment measured at FVTPL	**25.12**	**14,768.88**	**312.78**	**15,106.78**	**7.20**	**12,161.50**	**303.30**	**12,472.00**
Financial investments measured at FVOCI								
Non-convertible debentures - Quoted	-	-	497.68	**497.68**	-	-	419.58	**419.58**
Compulsory convertible debentures	-	-	826.47	**826.47**	-	-	773.17	**773.17**
Loans	-	-	-		-	-	-	-
Non-convertible debentures - unquoted	-	-	142.83	**142.83**	-	-	120.76	**120.76**
Equity Instruments								
DMI Consumer Credit Private Limited	-	-	3.27	**3.27**	-	-	3.16	**3.16**
Alchemist Asset Reconstruction Company Limited	-	-	226.20	**226.20**	-	-	226.20	**226.20**
AIF II (Investment)	-	11.01	-	**11.01**	-	10.80	-	**10.80**
Flash Electronics Private Limited	-	-	304.40	**304.40**	-	-	250.00	**250.00**
Total financial investments measured at FVOCI	-	**11.01**	**2,000.85**	**2,011.86**	-	**10.80**	**1,792.87**	**1,803.67**
Total financial assets measured at fair value	**25.12**	**14,779.89**	**2,313.63**	**17,118.64**	**7.20**	**12,172.30**	**2,096.17**	**14,275.67**

Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds and security receipts are measured based on Net Asset Value (NAV) and are classified as Level 2.

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Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on networth of investee company or Valuation report issued by independednt Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

- Area delivered in past across segments
- Financial strength (of the entity and group)
- Debt track record (debt repaid in past, current & past delinquency)
- Stages of various projects of developer
- Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2021 and March 31, 2020

Movements in Level 3 financial instruments measured at fair value

	DMI Capital Private Limited	DMI Consumer Credit Private Limited	Alchemist Asset Reconstruction Co.Ltd.	Credit Subsitutes*	NCD Unquoted*	Compulsorily Convertible Debentures*	DMI Housing Finance Private Limited	Flash Electronics
At April 1, 2019	**293.12**	**3.00**	**316.68**	**895.85**	**917.41**	**772.93**	**264.87**	**250.00**
Purchase	-	-	-	-	120.12	-	-	-
Change in classification	-	-	-	(179.02)	(836.96)	-	-	-
Sales / settlements	-	-	-	(351.95)	(86.28)	(94.89)	(265.11)	-
Transfers into Level 3	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	10.18	-	-	60.31	6.47	95.13	-	-
Gains / loss for the period recognized in the other comprehensive income	-	0.16	(90.48)	(5.61)	-	-	0.24	-
At March 31, 2020	**303.30**	**3.16**	**226.20**	**419.58**	**120.76**	**773.17**	**-**	**250.00**
Purchase	-	-	-	46.45	21.82	-	-	-
Change in classification	-	-	-	-	-	-	-	-
Sales / settlements	-	-	-	(42.98)	(18.11)	2.57	-	-
Transfers into Level 3	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	9.48	-	-	74.63	18.35	101.23	-	-
Gains / loss for the period recognized in the other comprehensive income	-	0.11	-	-	-	(50.50)	-	54.40
At March 31, 2021	**312.78**	**3.27**	**226.20**	**497.68**	**142.82**	**826.47**	**-**	**304.40**

*Total Gains/Loss for the period recognized in the Statement of Profit and Loss consists of income other than fair value change

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions
The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities.

March 31, 2021	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	312.78	Net Worth of Investee Company	Instrument price
Equity shared in DMI Consumer Credit Private Limited	3.27	Net Worth of Investee Company	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - Quoted	497.68	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	304.40	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	826.47	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	142.83	Discounted Projected Cash Flows	Discount margin / spread

March 31, 2020	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	310.68	Net Worth of Investee Company	Instrument price
Equity shared in DMI Consumer Credit Private Limited	3.16	Net Worth of Investee Company	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - Quoted	419.58	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	250.19	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	773.17	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	120.76	Discounted Projected Cash Flows	Discount margin / spread

Quantitative analysis of significant unobservable inputs

Instrument price
Given the nature of this approach, there is no range of prices used as inputs.

Discount margin/spreads
Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2021		March 31, 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible preference shares in DMI Capital Private Limited	31.28	(31.28)	30.33	(30.33)
Total (A)	**31.28**	**(31.28)**	**30.33**	**(30.33)**
Instruments measured through FVTOCI				
Equity shared in DMI Consumer Credit Private Limited	0.33	(0.33)	0.32	(0.32)
Equity shares in Alchemist Asset Reconstruction Company Limited	22.62	(22.62)	22.62	(22.62)
Non-convertible debentures - Quoted	7.17	(7.17)	41.96	(41.96)
Non-convertible debentures - unquoted	14.28	(14.28)	12.08	(12.08)
Equity shares in Flash Electronics Private Limited	30.44	(30.44)	25.00	(25.00)
Compulsory convertible debentures	82.65	(82.65)	77.32	(77.32)
Total (B)	**157.50**	**(157.50)**	**179.30**	**(179.30)**
Total (A+B)	**188.78**	**(188.78)**	**209.63**	**(209.63)**

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

	March 31, 2021		March 31, 2020	
Financial assets:	Fair value	Carrying value	Fair value	Carrying value
Loans and advances				
Corporate loans	12,715.14	12,151.09	11,630.70	11,735.33
Investments – at amortised cost				
Non-convertible debentures - Quoted	1,156.59	1,171.88	1,259.61	1,227.52
Financial liabilities:				
Debt securities	18,876.47	18,553.00	21,676.24	21,303.00

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Borrowings - At Amortised cost

These includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Investments - At amortised cost

These includes Quoted non convertible debenture & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and liabilities other than above

The carrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

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52 **Disclosures in accordance with RBI circular no. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and subsequent circular no. DNBR (PD) CC.No. 029/ 03.10.001/ 2014-15 dated April 10, 2015 and amendments thereof**

i) **Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;**
The Company is a private limited company registered with Reserve Bank of India as a Non- banking finance company vide certificate of registration no.**14.03176 dated January 5, 2009**

ii) **Ratings assigned by credit rating agencies and migration of ratings during the year;**
During the year the following ratings have been assigned to the Company

(Amount in Rs. crore)

Name of the rating agency	Amount	Rating	Type of facility	At the beginning of year	Change during Year	Remarks
Brickwork Ratings	900	BWR AA-	Bank loans	BWR AA-	No Change	Reaffirmed on June 29, 2020
Brickwork Ratings	180	BWR AA-	Non-convertible debentures	BWR AA-	No Change	Reaffirmed on June 29, 2020. During the year, Rated amount increased to Rs 180 Crores from Rs. 130 crore
CARE Ratings	435	CARE AA-	Non-convertible debentures	CARE AA-	No Change	Reaffirmed and Outlook revised from Stable to Negative on April 6, 2020. Rated amount decreased from Rs 785 crore to Rs 435 crore
CARE Ratings	900	CARE AA-	Long-term bank facilities	CARE AA-	No Change	Reaffirmed and Outlook revised from Stable to Negative on April 6, 2020
ICRA Ratings	300	[ICRA]A1+	Commercial paper	[ICRA]A1+	No Change	Rating Reaffirmed on July 10, 2020 and March 31, 2021

iii) **Penalties, if any, levied by any regulator;**
No penalties have been levied by any of the regulators of the company.

iv) **Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries**
The Company has its main operations in India situated in Delhi/NCR and also has offices situated in Mumbai and Hyderabad. The company has not entered into any joint ventures and does not have any overseas subsidiaries.

I) **Capital to risk assets ratio (CRAR)**

Particulars	March 31, 2021	March 31, 2020
i) CRAR (%)	60.20%	44.00%
ii) CRAR- Tier I capital (%)	59.03%	43.31%
iii) CRAR- Tier II capital (%)	1.17%	0.69%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2021

(All Amount in Rs. In millions, unless otherwise stated)

II) Investments

(Amount in Rs. crore)

Particulars	March 31, 2021	March 31, 2020
1) Value of Investments		
i) Gross Value of Investments (at cost)*		
a) In India	1,908.36	1,549.50
b) Outside India	-	-
ii) Provisions for Depreciation**		
a) In India	59.51	20.10
b) Outside India	-	-
ii) Net Value of Investments		
a) In India	1,848.85	1,529.41
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening Balance	20.10	8.07
ii) Add: Provisions made during the year	39.42	12.03
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	59.51	20.10

*The company has investment in FVOCI and FVTPL category, the fair valuation of which is included in the gross value of investment.

**Provision of depreciation comprises of impairment loss allowance on the investments

III) Derivatives

The Company does not deal in derivatives therefore no details are to be disclosed

IV) Exchange Traded Interest Rate (IR) Derivatives

The Company does not deal in exchange traded interest rate derivatives therefore no details are to be disclosed

V) Disclosures on Risk Exposure in Derivatives

The Company does not deal in derivatives therefore no details are to be disclosed

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2021

(All Amount in Rs. in millions, unless otherwise stated)

VIII) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Maturity Pattern of Assets and Liabilities as on March 31, 2021

(Amount in Rs. crore)

Particulars	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments	1,457.48	-	52.68		-	-	-	108.38	1,618.54
Borrowings	2.25	13.75	18.10	13.30	24.92	1,905.30	12.50	-	1,990.20
Advances	401.42	239.14	208.47	614.14	462.73	1,204.79	397.07	105.67	3,633.43
Other financial assets	245.73	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,035.85

Maturity Pattern of Assets and Liabilities as on March 31, 2020

(Amount in Rs. crore)

Particulars	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments	1,196.65	-	-	-	-	-	-	100.19	1,296.84
Borrowings	7.35	29.93	172.45	137.77	294.63	459.57	1,485.30	-	2,587.02
Advances	221.95	184.08	257.06	557.94	687.12	1,230.40	320.91	265.53	3,724.99
Other financial assets	294.35	-	167.18	83.66	0.72	1.41	8.08	10.83	566.23

IX) Instances of fraud for the Year ended March 31, 2021

(Amount in Rs. crore)

	March 31, 2021				March 31, 2021			
Nature of fraud	No. of cases	Amt. of fraud	Recovery	Amt. written off	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-	-	-	-	-
Loan given against fictitious documents	1.00	1.12	-	1.12	1.00	1.12	-	1.12
Fraud by external party	-	-	-	-	-	-	-	-

Note: There is no fraud happened in the currel year and previous year

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2021

(All Amount in Rs. In millions, unless otherwise stated)

X) Exposures

Exposure to Real Estate Sector

Category	March 31, 2021	March 31, 2020
	(Amount in Rs. crore)	
a) Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	68.15	60.97
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	1,134.96	955.96
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
Residential		
Commercial Real Estate		
Total Exposure to Real Estate Sector	1,203.12	1,016.93
Includes exposure to sub-standards assets as well		

Exposure to Capital Market

Category	March 31, 2021	March 31, 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	191.03	177.50
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	406.48	352.63
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;		-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		-
(vii) bridge loans to companies against expected equity flows / issues;		-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)		-
Total Exposure to Capital Market	597.51	530.13

XI) Details of financing of parent company products	March 31, 2021	March 31, 2020
The company has not financed any Parent company product during the current year and previous year	-	-
a Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC The company has not exceeded any single or group borrower limits as per prescribed RBI guidelines therefore no details are being provided	-	-

XII) Provisions and contingencies

	March 31, 2021	March 31, 2020
	(Amount in Rs. crore)	
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement Profit and Loss		
Provisions for depreciation on Investment	39.41	12.02
Provision made towards Income tax	34.41	54.81
Provision for gratuity	0.57	0.88
Provision for compensated absences	1.31	1.02
Impairment of financial assets (net of write off)	245.46	141.29

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2021
(All Amount in Rs. in millions, unless otherwise stated)

XIII) Draw Down from Reserves

The Company has not draw downed any amount from the Reserves during the current year and previous year

(Amount in Rs. crore)

XIV) Concentration of Deposits, Advances, Exposures and NPAs	March 31, 2021	March 31, 2020
Concentration of Deposits	-	-
	-	-
Concentration of Advances		
Total Advances to twenty largest borrowers	1,301.85	1,195.21
Percentage of Advances to twenty largest borrowers to Total Advances	35.83%	32.09%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	1,332.29	1,445.21
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	36.36%	36.36%
Concentration of NPAs**		
Total Exposure to top four NPA accounts	119.84	116.34

***Represent Stage III loans including interest*

Sector-wise NPAs**	March 31, 2021 Percentage of NPAs to Total Advances in that sector	March 31, 2020 Percentage of NPAs to Total Advances in that sector
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	8.47%	9.85%
4 Services	-	-
5 Unsecured personal loans	-	1.31%
6 Auto loans	-	-
7 Other personal loans(Loan against Property)	-	0.17%

***Represent Stage III loans including interest*

(Amount in Rs. crore)

XV) Movement of NPAs	March 31, 2021	March 31, 2020
Net NPAs to Net Advances (%)	1.59%	1.94%
Movement of NPAs (Gross)		
Opening balance	171.11	72.57
Additions during the year	4.25	151.21
Reductions during the year	33.01	52.67
Closing balance	142.35	171.11
Movement of Net NPAs		
Opening balance	69.11	31.42
Additions during the year	(32.34)	27.67
Reductions during the year	(16.82)	(10.02)
Closing balance	53.59	69.11
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	102.00	41.15
Provisions made during the year	36.59	123.54
Write-off / write-back of excess provisions	49.83	62.69
Closing balance	88.76	102.00

XVI) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported

XVII) Off- Balance sheet SPVs sponsored

The company does not have any Off- Balance sheet SPV, therefore no details to be reported

XVIII) Customer Complaints	March 31, 2021	March 31, 2020
No. of complaints pending at the beginning of the year	509	394.00
No. of complaints received during the year	1,991	23,430
No. of complaints redressed during the year	2,463	23,315
No. of complaints pending at the end of the year	37	509

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

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Notes to the Standalone Financial Statements for the Year ended March 31, 2021

(All Amount in Rs. In millions, unless otherwise stated)

XIX) Disclosure of Gold Loan Portfolio	March 31, 2021	March 31, 2020
Total Gold Loan Portfolio	-	-
Total Assets	-	-
Gold loan portfolio as % of Total Assets	-	-

XX) Disclosure of Gold Auction	March 31, 2021	March 31, 2020
Number of loan accounts	-	-
Outstanding Amount	-	-
Value fetched on auctions	-	-

(Amount in Rs. crore)

	March 31, 2021	March 31, 2020
XXI) Unsecured Advances	1,952.83	2,214.13

XXII) Details of Off balance sheet exposure

Refer note 42 for details of off balance sheet exposure

XXIII) Loan accounts past due 90 days and not treated as Impaired	March 31, 2021	March 31, 2020
Number of loan accounts	-	-
Loan outstanding	-	-
Overdue Amount	-	-

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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(All Amount in Rs. In millions, unless otherwise stated)

53 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

(Amount in Rs. crore)

i) Liquidity coverage ratio	As at March 31, 2021		As at December 31, 2020	
	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount
High Quality Liquid Assests (HQLAs)	1,694.85	1,694.85	1,633.73	1,633.73
Total High Quality Liquid Assests (HQLA)	1,694.85	1,694.85	1,633.73	1,633.73
Cash Outflows				
Deposits (for deposit taking companies)				
Unsecured wholesale funding	8.17	8.17	8.35	8.35
Secured wholesale funding	2.89	2.89	3.79	3.79
Additional requirements, of which				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	-	-	-	-
Other contractual funding obligations	-	-	-	-
Other contingent funding obligations	57.14	57.14	32.44	32.44
TOTAL CASH OUTFLOWS	68.20	68.20	44.58	44.58
Cash Inflows				
Secured lending	-	-	-	-
Inflows from fully performing exposures	33.02	33.02	25.90	25.90
Other cash inflows	311.28	311.28	307.00	307.00
TOTAL CASH INFLOWS	344.30	344.30	332.90	332.90
TOTAL HQLA	1,694.85	1,694.85	1,633.73	1,633.73
TOTAL NET CASH OUTFLOWS	19.61	19.61	12.82	12.82
LIQUIDITY COVERAGE RATIO (%)	8,643%	8,643%	12,747%	12,747%

Note:
The off balance sheet exposures expected to flow in next 30 days are considered in computation.

ii) Funding concentration based on significant counterparty

(Amount in Rs. crore)

Number of significant counterparties	Amount*	% of Total deposits	% of Total liabilities
Five	1,965.58	-	92.26%

*Accured interest but not due and unamortised transaction costs are included in borrowings.

iii) Top 20 large deposits
There are no deposits accepted by the company during the year as company is non-deposit taking NBFC.

iv) Top 10 borrowings

(Amount in Rs. crore)

S. No.	Lender	Amount*	Ranking	% of total borrowings
1	DMI Income Fund Pte Ltd	1,791.90	1	90.81%
2	Bank of Baroda-I	99.13	2	5.02%
3	Union Bank of India	52.59	3	2.67%
4	Ganesha Fixed Income Limited	13.40	4	0.68%
5	South Indian Bank	8.56	5	0.43%
6	HDFC Bank	5.62	6	0.28%
7	SIDBI	2.00	7	0.10%
8	AU Small Finance Bank	0.09	8	0.00%
	Total	1,973.29		100.00%

*Accured interest but not due and unamortised transaction costs are included in borrowings.

v) Funding Concentration based on significant instrument/product

(Amount in Rs. crore)

S. No.	Nature of significant instrument/product	Amount*	% of Total liabilities
1	Non-convertible debentures	1,870.81	92.93%
2	Term loans	118.19	5.87%
3	Liability against leased assets	24.23	1.20%
	Total	2,013.23	100.00%

*Accured interest but not due and unamortised transaction costs are included in borrowings.

vi) Stock ratios:

(Amount in Rs. crore)

S. No.	Particulars	Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commerical papers	-	Not applicable	2,130.40	5,615.79	Not applicable	0.00%	0.00%
2	Non-convertible debentures (original maturity of less than one year)	-	Not applicable	2,130.40	5,615.79	Not applicable	0.00%	0.00%
3	Other short-term liabilities (excluding commercial paper)	600.22	Not applicable	2,130.40	5,615.79	Not applicable	28.17%	10.69%

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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Notes to the Standalone Financial Statements for the Year ended March 31, 2021

(All Amount in Rs. In millions, unless otherwise stated)

54 Additional disclosures pursuant to para 25 of Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016:

S.No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	19	-	-	-	68,798	-	-	-	68,817.00	-	-	-
		Amount Outstanding	16.28	-	-	-	1,624.90	-	-	-	1,641.19	-	-	-
		Provision thereon	2.93	-	-	-	241.31	-	-	-	244.24	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	2,257	-	-	-	2,257	-	-	-
		Amount Outstanding	-	-	-	-	136.71	-	-	-	136.71	-	-	-
		Provision thereon	-	-	-	-	22.45	-	-	-	22.45	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	19	-	-	-	41,154	-	-	-	41,173	-	-	-
		Amount Outstanding	17.85	-	-	-	1,332.81	-	-	-	1,350.66	-	-	-
		Provision thereon	2.93	-	-	-	218.86	-	-	-	221.79	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

1) The outstanding amount and number of borrowers as at March 31, 2021 is after considering recoveries made during the year.
2) CDR restructuring segment is nil.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

DMI FINANCE PVT. LTD. NEW DELHI

55 During the year the Company has restructured loan assets in accordance with the RBI circular RBI/2021-22/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 as presented in below table:

(Amount in Rs. crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loan	68,798	162.49	-	-	11.11
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	68,798	162.49	-	-	11.11

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

56 During the year the Company has restructured loan assets in accordance with the RBI circular RBI/2021-22/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 as presented in below table:

(Amount in Rs. crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan
MSME borrowers	19	1.63
Total	-	-

57 **Events occurring after reporting date**

There are no significant events after the reporting period which require any adjustment or disclosure in the financial statements.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: June 21, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW DELHI
Date: June 21, 2021

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: LONDON
Date: June 21, 2021

Krishan Gopal
(Chief Financial Officer)

Place: GURUGRAM
Date: June 21, 2021

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: GURUGRAM
Date: June 21, 2021

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Independent Auditor's Report

To the Members of DMI Finance Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1) We have audited the accompanying consolidated financial statements of **DMI Finance Private Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2021**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2) In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and an associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3) We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID 19

4) We draw attention to Note 38 of to the accompanying financial statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Holding Company's operations as at 31 March 2021. Our opinion is not modified in respect of this matter.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Key Audit Matter

5) Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, and an associate were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6) We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Use of information processing system for accounting and financial reporting	
The Holding Company relies upon information processing systems for recording, processing, classifying, and presenting the large volume of transactions entered into by the Holding Company. The Holding Company has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Holding Company is reliable. Also, during the current year, the management carried out changes to the IT infrastructure and accounting system to implement moratorium relief extended during the year to the customers. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the consolidated financial statements. The Holding Company's accounting and financial reporting processes being dependent on automated controls enabled by IT systems impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The controls implemented by the Holding Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the consolidated financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	Our key audit procedures on this matter included, but were not limited, to the following: a) Obtained an understanding of the Holding Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; b) Obtained an understanding of the changes that were made to the IT applications during the audit period on account of moratorium relief extended to its customers; c) Involved IT specialists (auditor's expert) for performance of the following procedures: i) tested the IT General Controls around user access management, changes to IT environment and segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; and ii) tested the Holding Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization iii) tested the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. d) Obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Key audit matter	How our audit addressed the key audit matter
Expected Credit Losses on loans (ECL) and implementation of COVID-19 relief measures (Refer Note 3(m) for the accounting policy and Note 7.1 for the related disclosures	
As at 31 March 2021, the Holding Company has financial assets (loans) amounting to Rs. 31,413.61 million. As per Ind AS 109- Financial Instruments, the Holding Company is required to recognise allowance for expected credit losses on financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgement around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The Holding Company has developed customized models to derive key inputs used to determine the amount of ECL such as probability of default (PD) and loss given default (LGD). The result from these models is then applied to the exposure at default (EAD) to arrive at the amount of ECL. In the process of developing the ECL models, a significant degree of judgement has been applied by the management in respect of following matters: a) Staging of loans and estimation of behavioral life and thereby determining the criteria for a significant increase in credit risk. b) Estimation of expected loss from historical observations. c) Estimation of losses in respect of those loans which had no/ minimal defaults in the past. d) Selection of macro-economic factors and estimating their impact on ECL model; and e) Estimation of the expected realizable values of underlying collaterals.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the consolidated financial statements were reasonable and the related disclosures in the consolidated financial statements made by the management were adequate. These procedures included, but were not limited, to the following: a) obtained an understanding of the model adopted by the Holding Company including key inputs and assumptions for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculates the expected credit losses and the appropriateness data on which the calculation is based; b) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; c) obtained the policy on moratorium and restructuring of loans approved by the Board of Directors pursuant to the RBI circulars and ensured such policy is in compliant with the requirements of the RBI circular; d) evaluated the appropriateness of the Holding Company's determination of significant increase in credit risk in accordance with the applicable accounting standard considering the impact of COVID-19 on account of benefit extended by the Holding Company to select borrowers and the basis for classification of various exposures into various stages. e) As modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. f) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; Page 3 of 11

Key audit matter	How our audit addressed the key audit matter
Implementation of COVID-19 relief measures During the current year, RBI announced various relief measures for the borrowers which were implemented by the Holding Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 7 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated 6 August 2020, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. The management has considered the impact of COVID-19 on arriving at the provisions as at the balance sheet date on account of significant increase in credit risk on borrowers given additional support by the Holding Company which were impacted due to COVID-19. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Holding Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI. Considering the significance of the above matter to the consolidated financial statements, the degree of management's judgment involved and additional complexities involved in the current year on account of ongoing impact of COVID-19 and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note 38 of the accompanying consolidated financial statements, regarding uncertainties involved on the due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments, as the same is fundamental to the understanding of the users of consolidated financial statements.	g) developed a point estimate by making reference to the expected credit losses recognised by entities that carry comparable financial assets; h) tested the arithmetical calculation of the expected credit losses; i) on test check basis, tested the reasonableness of estimates of expected realizable values of underlying collaterals; j) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and k) obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7) The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8) The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9) In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10) Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

Chartered Accountants

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11) Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12) As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 345.97 million and net assets of ₹ 335.67 million as at 31 March 2021, total revenues of ₹ 56.22 million and net cash inflows amounting to ₹ 35.85 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 39.51 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of an associate, whose financial statements has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17) The consolidated financial statements of the Group for the year ended 31 March 2020 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 15 September 2020.

Report on Other Legal and Regulatory Requirements

18) Based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries and associate, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company, its subsidiary companies and associate company covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

19) As required by section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

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b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and associate company, covered under the Act, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:

i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in Note 42 to the consolidated financial statements;

ii) the Holding Company, its subsidiary companies and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company covered under the Act, during the year ended 31 March 2021; and

iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN:21105117AAAAHI3936

Place: Mumbai
Date: 03 September 2021

Chartered Accountants

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Annexure 1

List of entities included in the Consolidated Financial Statements

Subsidiary Companies

1) DMI Capital Private Limited
2) DMI Management Private Limited

Associate Company

1) DMI Alternatives Private Limited

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Annexure A to the Independent Auditor's Report of even date to the members of DMI Finance Private Limited on the consolidated financial statements for the year ended 31 March 2021

Independent Auditor's report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of DMI Finance Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is a company covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note) issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of the aforementioned subsidiaries and associate, which are companies covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

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Annexure A (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is a company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN:21105117AAAAHI3936

Place: Mumbai
Date: 03 September 2021

Chartered Accountants

Offices: Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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DMI Finance Private Limited
Consolidated Balance Sheet As at March 31, 2021
(All Amount in Rs. In millions, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	2,533.91	1,212.69
Bank balance other than cash and cash equivalents	5	267.21	15.20
Trade receivables	6	62.11	39.96
Loans	7	31,413.61	33,353.51
Investments	8	18,551.04	15,362.24
Other financial assets	9	2,037.35	569.73
Non- financial assets			
Current tax assets	10	232.47	170.07
Deferred tax assets (net)	11	633.87	378.74
Property, plant and equipment	12	326.92	387.64
Intangible assets	13	22.80	7.55
Other non- financial assets	14	103.27	112.87
Assets held for sale	15	189.85	189.85
TOTAL ASSETS		56,374.41	51,800.05
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		110.75	78.68
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		195.23	164.55
Debt securities	17	18,551.69	22,797.57
Borrowings (other than debt securities)	18	1,423.48	3,091.28
Other financial liabilities	19	635.33	488.87
Non financial liabilities			
Provisions	20	57.51	38.54
Other non-financial liabilities	21	337.27	217.27
EQUITY			
Equity share capital	22	6,436.58	5,592.94
Other equity	23	28,626.57	19,330.35
TOTAL LIABILITIES AND EQUITY		56,374.41	51,800.05

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: September 3, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: September 3, 2021

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: September 3, 2021

Krishan Gopal
(Chief Financial Officer)

Place: GURUGRAM
Date: September 3, 2021

Sahib Pahwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: September 3, 2021

DMI Finance Private Limited
Consolidated Statement of profit and loss for the year ended March 31, 2021
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	For the year March 31, 2021	For the year March 31, 2020
Revenue from operations			
Interest income	24	6,916.49	6,092.41
Fees and commission income	25	81.39	95.47
Net gain on fair value changes	26	587.60	225.65
Total revenue from operations		7,585.48	6,413.53
Other income	27	103.74	89.93
Total income		7,689.22	6,503.46
Expenses			
Finance costs	28	1,930.04	1,455.04
Fees and commission expense	29	903.63	843.03
Impairment on financial instruments	30	2,818.74	1,533.15
Employee benefits expense	31	703.27	577.40
Depreciation and amortisation	32	79.12	76.48
Other expenses	33	903.32	657.82
Total expenses		7,368.12	5,142.92
Profit before share of profit of associate and tax		321.10	1,360.54
Add: Share of Profit of associate		39.51	38.54
Profit before tax		360.61	1,399.08
Tax expense:	45		
(1) Current tax		348.13	553.10
(2) Deferred tax credit		(256.80)	(176.24)
Profit for the year		269.28	1,022.22
Net Profit after Taxes and Share in Profit of Associate		269.28	1,022.22
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Re measurement of defined benefit plan		2.45	(1.98)
Income tax relating to above item		(0.61)	0.50
b) Items that will be reclassified to profit or loss			
Changes in fair value		4.21	(95.37)
Income tax relating to above item		(1.06)	24.00
Other comprehensive income		4.99	(72.85)
Total comprehensive income for the year		274.27	949.37
Earnings per equity share (face value of Rs. 10 per share)	34		
Basic (Rs.)		0.47	1.84
Diluted (Rs.)		0.39	1.83

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: September 3, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
Place: NEW YORK
Date: September 3, 2021

Yuvraj Chanakya Singh
(Jt. Managing Director)
DIN: 02601179
Place: NEW DELHI
Date: September 3, 2021

Krishan Gopal
(Chief Financial Officer)
Place: GURUGRAM
Date: September 3, 2021

Sakshi Pahwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: September 3, 2021

DMI Finance Private Limited
Consolidated Cash flow statement for the Year ended March 31, 2021
(All Amount in Rs. In millions, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flow from operating activities:		
Profit before tax	**360.61**	**1,399.08**
Adjustments for		
Depreciation and amortisation	79.12	76.48
Net gain on fair value changes	(587.60)	(235.83)
Impairment on financial instruments	2,848.74	1,533.14
Interest expense for leasing arrangements	31.02	27.34
Effective interest rate adjustment for financial instruments	15.81	32.80
Employee stock option expense	75.78	40.90
Operating profit before working capital changes	**2,823.48**	**2,873.91**
Changes in working capital		
(Increase) in financial and other assets	(2,004.44)	(13,647.20)
Increase in financial and other liabilities	209.21	455.88
Decrease in non financial assets	6.59	126.45
Increase in non financial liabilities	140.01	331.62
Total of changes in working capital	**(1,648.62)**	**(12,733.25)**
Direct taxes paid (net of refunds)	(410.53)	(597.12)
Net cash flow generated from / (used in) operating activities (A)	**764.32**	**(10,456.46)**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(30.64)	(396.44)
Sale of Property, plant and equipment	-	1.06
Purchase of investment (net)	(2,991.16)	(5,477.50)
Movement of fixed deposits (net)	(252.01)	-
Net cash flow used in investing activities (B)	**(3,273.81)**	**(5,872.88)**
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	9,791.22	1,786.08
Proceeds from debt securities	500.00	21,303.00
Proceeds from bank borrowings	700.00	980.00
Repayment of cash credit	-	(332.86)
Repayment of debt securities	(4,750.00)	(4,300.00)
Repayment of bank borrowings	(2,355.33)	(2,314.54)
Lease payments	(55.18)	(54.80)
Net cash flow generated from financing activities (C)	**3,830.71**	**17,066.88**
Net increase in cash and cash equivalents (A+B+C)	**1,321.22**	**737.54**
Cash and cash equivalents as at the beginning of the year	1,212.69	475.15
Cash and cash equivalents at the end of the year	**2,533.91**	**1,212.69**

Notes:

1) Components of cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.08	0.12
Balance with banks		
In current accounts	2,164.03	987.27
In cash credit	369.80	225.30
Total cash and cash equivalents	**2,533.91**	**1,212.69**

2) Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 43

Summary of significant accounting policies and accompanying notes are an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: September 3, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: September 3, 2021

Yuvraj Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: September 3, 2021

Krishan Gopal
(Chief Financial Officer)

Place: GURUGRAM
Date: September 3, 2021

Sahil Panwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: September 3, 2021

DMI Finance Private Limited
Consolidated Statement of Changes in Equity for the Year ended March 31, 2021
(All Amount in Rs. In millions, unless otherwise stated)

[illegible] share capital (refer note 22)

[illegible]	As at April 1,2019	Change during the year	As at March 31,2020	Change during the year	As at March 31,2021
[illegible] share capital	5,209.58	383.36	5,592.94	843.64	6,436.58

[illegible] equity (refer note 23)

Particulars	Reserves and surplus					Total
	Statutory reserve u/s 45-IC of RBI Act	Share option outstanding account	Securities premium	Capital redemption reserve	Retained earnings	
[illegible] April 1, 2019	731.31	28.04	12,905.76	81.21	2,899.74	16,646.06
[illegible]	-	-	-	-	1,022.22	1,022.22
[illegible] Income for the year	-	-	-	-	(72.85)	(72.85)
[illegible] exercised during the year	-	38.54	-	-	-	38.54
[illegible] conversion of CCPSs	-	-	77.26	-	-	77.26
[illegible] issue of equity shares	-	-	1,564.75	-	-	1,564.75
[illegible] liability reversed on CCDs/CCPSs	-	-	-	-	54.37	54.37
[illegible] statutory reserve	201.53	-	-	-	(201.53)	-
[illegible] March 31, 2020	932.84	66.58	14,547.77	81.21	3,701.95	19,330.35
[illegible]	-	-	-	-	269.28	269.28
[illegible] Income for the year	-	-	-	-	4.99	4.99
[illegible] special reserve	44.62	-	-	-	(44.62)	-
[illegible] exercised during the year	-	74.37	-	-	-	74.37
[illegible] issue of equity shares	-	-	8,947.58	-	-	8,947.58
[illegible] March 31 2021	977.46	140.95	23,495.35	81.21	3,931.60	28,626.57

[illegible] significant accounting policies and accompanying notes are an integral part of the financial statements

[illegible] of Change in Equity referred to in our report of even date

[illegible] & Co LLP
[illegible] 301076N/N500013
[illegible]

[illegible]

[illegible]

[illegible]

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: September 3, 2021

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: September 3, 2021

Krishan Gopal
(Chief Financial Officer)

Place: GURUGRAM
Date: September 3, 2021

Sahib Pahwa
(Company Secretary)
M. No. A24789
Place: GURUGRAM
Date: September 3, 2021

DMI Finance Private Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2021

1. **Corporate information**

DMI Finance Private limited (the "Holding Company" or "Parent Company") is a Company domiciled in India as a private limited company. The Company is registered with the Reserve Bank of India ('RBI') as a non-deposit accepting non-banking financial company or NBFC-ND under the Reserve Bank of India Act, 1934. The Company is engaged in the business of providing loans to corporates and other lending activities. The Holding company together with its subsidiaries listed in Note 2(c)(ii) are hereinafter collectively referred to as the 'the Group'.

Information on subsidiaries included in consolidated financial statements is given in Note 2(C)(ii).

2. **Basis of preparation**

(a) **Statement of compliance in preparation of financial statements**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on September 3, 2021.

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

(b) **Presentation of financial statements**

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when Ind AS specifically permits the same or it has an unconditionally legally enforceable rights to offset the recognized amounts without being contingent on future events. Similarly, the Group offsets the income and expenses and reports the same on a net basis when permitted by Ind AS specifically.

(c) **Principles of Consolidation**

i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with the accounting policies of the Parent Company.

The Parent Company holds 100% shareholding in DMI Capital Private Limited and DMI Management Private Limited and there are no contractual arrangements which rebut the control of the Parent Company over its subsidiaries.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using the uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, to the extent possible unless otherwise stated.

The standalone financial statements of the Holding Company and the subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

The financial statements of subsidiaries acquired during the year are included in the consolidated statement of profit and loss from the effective date of acquisition. Intra-group balances and transactions and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

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ii) The consolidated financial statements include results of the following subsidiaries and associate of the Holding Company, consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	Proportion of ownership as at reporting date	Consolidated as
DMI Capital Private Limited	India	100.00%	Subsidiary
DMI Management Private Limited	India	100.00%	Subsidiary
DMI Alternatives Private Limited	India	49.00%	Associate

3. Significant accounting policies

(a) Use of estimates, judgements, and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and future periods are affected. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Impairment loss on financial assets

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Group makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 6.1 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at March 31, 2020.

ii) Business Model Assumption

Classification and measurement of financial assets depends on the results of the SPPI and the business model tests. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

iii) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) Share Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires

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determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

v) Fair value measurement

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account.

(c) Recognition of income and expense

i) Interest income

The Group earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income.

ii) Interest expense

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses, provided these are incremental costs that are directly related to the issue of a financial liability.

iii) Other charges and other interest

Overdue charges including penal interest is recognized on realization basis.

iv) Dividend income

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Where the Group is lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section m (ii) Impairment of non-financial assets.

ii) **Lease Liability**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) **Short Term Lease**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as and when due.

Property, plant and equipment (PPE) and Intangible assets

PPE

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebate are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and Loss when the assets is derecognized.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation and amortization

Depreciation

Depreciation on PPE is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives of the assets, prescribed under Schedule II to the Companies Act, 2013 which also represents the estimate of the useful life of the assets by the management.

PPE costing upto Rs.5,000 individually are fully depreciated in the year of purchase.

The Group has used the following rates to provide depreciation on its fixed assets.

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	Useful lives estimated by the management (years)	Rate of Depreciation
Furniture and fixtures	10	25.89%
Computers	3	63.16%
Vehicles	8	31.23%
Office equipment	5	45.07%

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized on a WDV basis a period of five years from date when the assets are available for use. The amortization period and the amortization method for intangible assets are reviewed at the end of each financial year.

(g) Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognised in the financial statements.

(h) Retirement and other employee benefits

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Group operates following employee benefit plans:

i) Employee Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

ii) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. An actuarial valuation involves making various assumptions

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that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

iii) Leaves
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

(i) Taxes

Tax expense comprises current and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Earning per share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(k) Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share option outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments/Loan portfolio at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments/Loan portfolio at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, where the Group's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Group's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

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SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3 (m)).

Debt Instruments at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and fair value changes relating to market movements selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investments and Mutual funds

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using effective interest method.

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Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

De-recognition of financial asset and financial liability

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

Financial Liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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(m) Impairment of financial assets

i) Overview of principles for measuring expected credit loss ("ECL") on financial assets

In accordance with Ind AS 109, the Group is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Group is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Group is required to recognize credit losses over next 12 month period. The Group has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Group has a process to assess credit risk of all exposures at each year end as follows:

Stage I
These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Group has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Group measures ECL on such assets over next 12 months.

Stage II
Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Group classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Group measures lifetime ECL on stage II loans.

Stage III
All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Group measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Methodology for calculating ECL
The mechanics of the ECL calculation involve the use of following key elements:

Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Group.

Exposure at default (EAD) – It represents an estimate of the exposure of the Group at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAS by the Group. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Group uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, Unemployment rates; Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

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Definition of default and cure

The Group considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Group may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Group also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Group carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

Collateral repossessed

The Group's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is lower at repossession date.

Write-offs

Financial-assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit and loss account.

ii) Non-financial asset

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(n) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

- Level 3 financial instruments – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

(o) Dividend

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(p) Foreign Currency Translation

Foreign currency transactions and balances

Initial recognition:
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences:
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

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4 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.08	0.12
Balance with banks		
- balance in cash credit accounts	369.80	225.30
- balance In current accounts	2,164.03	987.27
	2,533.91	**1,212.69**

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months but less than 12 months*	267.21	15.20
	267.21	**15.20**

* Deposits being lien marked against corporate credit cards and bank guarantee.

6 Trade receivables

Unsecured considered good	62.11	39.96
	62.11	**39.96**
Less: Impairment loss allowance	-	-
Total	**62.11**	**39.96**

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Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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7 Loans

	As at March 31, 2021			As at March 31, 2020		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans	13,764.95	142.83	**13,907.78**	12,461.25	120.76	**12,582.01**
Consumer loans	19,528.30	-	**19,528.30**	22,141.27	-	**22,141.27**
Total (A) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	**2,022.47**	1,365.92	3.85	**1,369.77**
Total (A) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**
(B)						
Secured by tangible assets and intangible assets	13,764.95	142.83	13,907.78	12,461.25	120.76	12,582.01
Unsecured	19,528.30	-	19,528.30	22,141.27	-	22,141.27
Total (B) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	2,022.47	1,365.92	3.85	1,369.77
Total (B) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**
(C) Sector						
Public sector	-	-	-	-	-	-
Others	33,293.25	142.83	33,436.08	34,602.52	120.76	34,723.28
Total (C) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	2,022.47	1,365.92	3.85	1,369.77
Total (C) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**
(D)						
In India	33,293.25	142.83	33,436.08	34,602.52	120.76	34,723.28
Outside India	-	-	-	-	-	-
Total (D) Gross	**33,293.25**	**142.83**	**33,436.08**	**34,602.52**	**120.76**	**34,723.28**
Less: Impairment loss allowance	2,017.87	4.60	2,022.47	1,365.92	3.85	1,369.77
Total (D) Net	**31,275.38**	**138.23**	**31,413.61**	**33,236.60**	**116.91**	**33,353.51**

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Holding Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) The Holding Company has granted certain loans to employees amounting to Rs. 12.14 millions in current year (previous year: Rs. 18.81 millions)

iv) Corporate loan portfolio includes non-convertible debentures of Rs. 2,385.18 millions (previous year: Rs. 2,426.45 millions)

v) During the year, the Holding Company invoked the shares pledged as security against the Non-performing loan given to one of the borrower. The management of the Holding Company intents to recover the outstanding dues from the said borrower. The management of the Holding Company, if required to recover, shall sell these shares and after recovering all the overdues on the loan, the Holding Company intends to refund the surplus (if any) to the said borrower.

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[illegible]ment allowance for loans and advances to borrowers

[illegible]mary of loans by stage distribution is as follows:

Consumer loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	18,184.57	1,343.73	-	19,528.30	20,656.64	1,193.85	290.78	22,141.27
Less: Impairment loss allowance	82.47	321.54	-	404.01	206.57	142.66	290.78	640.01
Net carrying amount	18,102.10	1,022.19	-	19,124.29	20,450.07	1,051.19	-	21,501.26

Corporate loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	12,836.22	-	1,071.56	13,907.78	10,282.55	1,218.12	1,081.34	12,582.01
Less: Impairment loss allowance	981.04	-	637.42	1,618.46	152.19	26.24	551.34	729.77
Net carrying amount	11,855.18	-	434.14	12,289.32	10,130.36	1,191.88	530.00	11,852.24

[illegible]mary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,281.52	280.64	351.99	2,914.15	2,260.24	-	339.00	2,599.24
Less: Impairment loss allowance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.95
Net carrying amount	1,939.26	278.07	101.70	2,319.03	2,237.24	-	161.05	2,398.29

[illegible]alysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	20,656.64	1,193.85	290.78	22,141.27	9,533.88	447.22	161.36	10,142.46
New Assets originated, Netted off for repayments and loans derecognised during the year	(1,839.60)	(483.70)	(289.67)	(2,612.97)	11,074.28	896.40	28.13	11,998.81
Transfers from Stage 1	(678.04)	678.04	-	-	(452.70)	278.16	174.54	-
Transfers from Stage 2	44.80	(44.80)	-	-	378.32	(428.76)	50.44	-
Transfers from Stage 3	0.77	0.34	(1.11)	-	122.86	0.83	(123.69)	-
Gross carrying amount closing balance	18,184.57	1,343.73	-	19,528.30	20,656.64	1,193.85	290.78	22,141.27

Corporate loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	10,282.55	1,218.12	1,081.34	12,582.01	10,269.10	813.96	564.37	11,647.43
New Assets originated, Netted off for repayments and loans derecognised during the year	1,335.55		(9.78)	1,325.77	1,077.50	51.11	(194.03)	934.58
Transfers from Stage 1	-	-	-	-	(1,273.04)	776.86	496.18	-
Transfers from Stage 2	1,218.12	(1,218.12)	-	-	-	(423.81)	423.81	-
Transfers from Stage 3	-	-	-	-	208.99	-	(208.99)	-
Gross carrying amount closing balance	12,836.22	-	1,071.56	13,907.78	10,282.55	1,218.12	1,081.34	12,582.01

[illegible]alysis of changes in the gross carrying amount of Investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,260.24	-	339.00	2,599.24	3,144.69	352.18	-	3,496.87
New Assets originated, Netted off for repayments and loans derecognised during the year	301.92		12.99	314.91	(545.45)	(352.18)	-	(897.63)
Transfers from Stage 1	(280.64)	280.64		-	(339.00)	-	339.00	-
Transfers from Stage 2	-	-		-	-	-	-	-
Transfers from Stage 3	-			-	-	-	-	-
Gross carrying amount closing balance	2,281.52	280.64	351.99	2,914.15	2,260.24	-	339.00	2,599.24

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**206.57**	**142.66**	**290.78**	**640.01**	**29.36**	**1.26**	**161.36**	**191.98**
Change in ECL due to change in ECL model rate	(19.25)	102.71	-	**83.46**	10.36	0.99	-	**11.35**
New Assets originated, Netted off for repayments and loans derecognised during the year	(101.99)	(75.44)	1,546.80	**1,369.37**	369.76	161.13	237.21	**768.10**
Transfers from Stage 1	(3.07)	162.25	-	**159.18**	(207.92)	33.38	174.54	-
Transfers from Stage 2	0.21	(10.72)	-	**(10.51)**	3.78	(54.22)	50.44	-
Transfers from Stage 3	-	0.08	-	**0.08**	1.23	0.12	(1.35)	-
Write Offs	-	-	(1,837.58)	**(1,837.58)**	-	-	(331.42)	**(331.42)**
Gross carrying amount **closing balance**	**82.47**	**321.54**	-	**404.01**	**206.57**	**142.66**	**290.78**	**640.01**

Corporate loans	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**152.19**	**26.24**	**551.34**	**729.77**	110.62	35.62	250.19	**396.43**
Change in ECL due to change in ECL model rate	395.60		88.29	**483.89**	30.34	5.74	0.03	**36.11**
New Assets originated, Netted off for repayments and loans derecognised during the year	407.01		(2.21)	**404.80**	347.99	138.20	102.69	**588.88**
Transfers from Stage 1	-	-	-	-	(339.21)	13.98	325.23	-
Transfers from Stage 2	26.24	(26.24)	-	-	-	(167.30)	167.30	-
Transfers from Stage 3	-	-	-	-	2.45	-	(2.45)	-
Write Offs	-	-	-	-	-	-	(291.65)	**(291.65)**
Gross carrying amount **closing balance**	**981.04**	-	**637.42**	**1,618.46**	**152.19**	**26.24**	**551.34**	**729.77**

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**23.00**	-	**177.95**	**200.95**	**35.46**	**45.29**	-	**80.75**
Change in ECL due to change in ECL model rate	280.99		65.52	**346.51**	(3.25)	-	-	**(3.25)**
ECL on new assets originated, netted off for repayments and loans derecognised during the year	40.79	0.05	6.82	**47.66**	168.74	(45.29)	-	**123.45**
Transfers from Stage 1	(2.52)	2.52		-	(177.95)	-	177.95	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	**342.26**	**2.57**	**250.29**	**595.12**	**23.00**	-	**177.95**	**200.95**

Collateral

In case of corporate term loans the Group is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).
In addition to the above mentioned collateral, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others.

In the normal course of business, the Group does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection activities, along with legal means to recover due loan repayments.
Post contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2021	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others	Total
(A)						
Equity instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited*	-	-	-	-	129.73	**129.73**
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.27	**3.27**	-	**3.27**
Equity shares in McNally Bharat Engineering Company Limited	-	25.12	-	**25.12**	-	**25.12**
Equity shares in Flash Electronics Private Limited	-	-	304.40	**304.40**	-	**304.40**
Equity shares in Alchemist Asset Reconstruction Company Limited	34.50	-	226.20	**260.70**	-	**260.70**
Mutual funds						
1,894,290 units in HDFC Liquid Fund - Direct Plan - Growth	-	7,663.39	-	**7,663.39**	-	**7,663.39**
1,893,629 units in SBI Liquid Fund Direct Growth		6,100.55		**6,100.55**	-	**6,100.55**
213,248 units in Baroda Pioneer Liquid Fund - Plan B Growth		505.24		**505.24**	-	**505.24**
1,666,137 units in ICICI Prudential Liquid Fund Direct Plan Growth		507.74		**507.74**	-	**507.74**
Debt instruments						
500 units of State Bank of India Series - II non-convertible debenture	526.75	-	-	**526.75**	-	**526.75**
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	826.47	**826.47**	-	**826.47**
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	209.85	-	71.73	**281.58**	-	**281.58**
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	596.12	-	-	**596.12**	-	**596.12**
529 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.08	**352.00**	-	**352.00**
705 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	566.44	-	244.80	**811.24**	-	**811.24**
410 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	44.67	-	2.07	**46.74**	-	**46.74**
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	**194.11**	-	**194.11**
Units of DMI AIF Special Opportunities Scheme	-	-	11.01	**11.01**	-	**11.01**
Total (A) Gross	**2,151.25**	**14,996.15**	**1,869.03**	**19,016.43**	**129.73**	**19,146.16**
Less: Impairment loss allowance	402.26	-	192.86	**595.12**	-	595.12
Total (A) Net	**1,748.99**	**14,996.15**	**1,676.17**	**18,421.31**	**129.73**	**18,551.04**
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	2,151.25	14,996.15	1,869.03	**19,016.43**	129.73	**19,146.16**
Total (B) Gross	**2,151.25**	**14,996.15**	**1,869.03**	**19,016.43**	**129.73**	**19,146.16**
Less: Impairment loss allowance	402.26	-	192.86	**595.12**	-	595.12
Total (B) Net	**1,748.99**	**14,996.15**	**1,676.17**	**18,421.31**	**129.73**	**18,551.04**

* Investment in Associate is as per equity accounting.

Notes:

(i) Credit substitutes are part of financing activities.

(ii) Refer note 7.1 for movement of ECL and gross carrying amount of CCDs and NCDs.

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As at March 31, 2020	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others	Total
(A)						
Equity instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited*	-	-	-	-	89.48	89.48
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.16	3.16	-	3.16
Equity shares in McNally Bharat Engineering Company Limited	-	7.20	-	7.20	-	7.20
Equity shares in Flash Electronics Private Limited	-	-	250.00	250.00	-	250.00
Equity shares in Alchemist Asset Reconstruction Company Limited	34.50	-	226.20	260.70	-	260.70
Mutual funds						
1,315,360 units in HDFC Liquid Fund - Direct Plan - Growth Option	-	7,482.64	-	7,482.64	-	7,482.64
15,20,348 units in SBI Liquid Fund Direct Growth		4,664.61	-	4,664.61	-	4,664.61
156 units in Baroda Pioneer Liquid Fund - Plan B Growth		0.36	-	0.36	-	0.36
Debt instruments						
7,520 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 fully paid up	-	-	773.17	773.17	-	773.17
Credit Substitutes						
407 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	274.22	-	94.98	369.20	-	369.20
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	541.08	-	-	541.08	-	541.08
525 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	166.53	-	172.46	338.99	-	338.99
571 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	352.09	-	152.14	504.23	-	504.23
400 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	72.57			72.57	-	72.57
Other instruments						
Security receipts in Alchemist XV Trust	-	195.00	-	195.00	-	195.00
Units of DMI AIF Special Opportunities Scheme	-	-	10.80	10.80	-	10.80
Total (A) - Gross	1,440.99	12,349.81	1,682.91	15,473.71	89.48	15,563.19
Less: Impairment loss allowance	106.40	-	94.55	200.95	-	200.95
Total (A) Net	1,334.59	12,349.81	1,588.36	15,272.76	89.48	15,362.24
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	1,440.99	12,349.81	1,682.91	15,473.71	89.48	15,563.19
Total (B) - Gross	1,440.99	12,349.81	1,682.91	15,473.71	89.48	15,563.19
Less: Impairment loss allowance	106.40	-	94.55	200.95	-	200.95
Total (B) - Net	1,334.59	12,349.81	1,588.36	15,272.76	89.48	15,362.24

*Investment in Associate is as per equity accounting.

Notes

1. Credit substitutes are part of financing activities.
2. Refer note 7.1 for movement of ECL and gross carrying amount of CCDs and NCDs.

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Other financial assets (at amortized cost)

	As at March 31, 2021	As at March 31, 2020
Security deposit	21.17	21.04
First loss default guarantee recoverable	1,114.82	44.81
Others	901.36	503.88
Total	**2,037.35**	**569.73**

Current tax assets

Advance Income-tax (net)	232.47	154.51
	232.47	**154.51**

Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	19.17	13.83
Difference in income recognition on unrealized gain on mutual fund investments	72.79	19.25
Total deferred tax liabilities	**91.96**	**33.08**
Deferred tax asset		
Provision for employee benefits	14.47	9.70
Difference in written down value as per Companies Act and Income-tax Act	6.54	5.99
EIR adjustment for processing fee	30.81	-
Liability against leases	7.44	3.96
Impairment loss allowance	640.90	366.50
Carry forward of interest disallowed u.s 94B	25.67	25.67
Gross deferred tax asset	**725.83**	**411.82**
Net Deferred Tax (Liability)/ Asset	**633.87**	**378.74**

Movement of deferred tax assets

	As at March 31, 2020	Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2021
Liabilities				
Fair value of financial instruments	13.83	4.29	1.06	19.18
Difference in income recognition on unrealized gain on mutual fund investments	19.25	53.53	-	72.78
Assets				
Provision for employee benefits	9.70	5.39	(0.61)	14.48
Difference in written down value as per Companies Act and Income-tax Act	5.99	0.55	-	6.54
EIR adjustment for processing fee	-	30.81	-	30.81
Liability against leases	3.96	3.47	-	7.43
Impairment loss allowance	366.50	274.40	-	640.90
Business Losses	-	-	-	-
Carry forward of interest disallowed under section 94B	25.67	-	-	25.67
Total (net)	**378.74**	**256.80**	**(1.67)**	**633.87**

Movement of deferred tax assets

	As at March 31, 2019	Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income / other equity	As at March 31, 2020
Liabilities				
Interest component on CCD and CCPS	54.58	(54.58)	-	-
Fair value of financial instruments	41.27	(3.44)	(24.00)	13.83
Difference in income recognition on unrealized gain on mutual fund investments	17.01	2.24	-	19.25
Assets				
Provision for employee benefits	6.08	3.10	0.52	9.70
Difference in written down value as per Companies Act and Income-tax Act	4.22	1.77	-	5.99
Liability against leases		3.96	-	3.96
Impairment loss allowance	194.86	171.64	-	366.50
Business Losses	1.37	(1.37)	-	-
Carry forward of interest disallowed under section 94B	29.70	(4.03)	-	25.67
Total (net)	**123.37**	**230.85**	**24.52**	**378.74**

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Notes to the consolidated Financial Statements for the Year ended March 31, 2021

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Property, plant and equipment

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold improvements	Right-of-use asset	Total
Gross carrying amount							
Balance as at April 1, 2019	1.60	19.90	6.42	15.71	72.33	-	115.96
Re-classification adjustment	(0.62)	(0.33)	-	0.65	-	-	(0.30)
Additions	0.50	9.72	-	15.68	68.91	293.91	388.72
Disposals	-	-	(1.06)	-	-	-	(1.06)
Balance as at March 31, 2020	1.48	29.29	5.36	32.04	141.24	293.91	503.32
Additions	0.41	8.52	-	0.47	-	-	9.40
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	1.89	37.81	5.36	32.51	141.24	293.91	512.72
Accumulated depreciation							
Balance as at April 1, 2019	0.59	14.17	4.08	9.23	17.55	-	45.62
Re-classification adjustment	(0.03)	(1.33)	-	0.06	-	-	(1.30)
Charge for the year	0.13	7.42	0.71	6.46	12.40	45.24	72.36
Disposals	-	-	(1.00)	-	-	-	(1.00)
Balance as at March 31, 2020	0.69	20.26	3.79	15.75	29.95	45.24	115.68
Charge for the year	0.21	7.77	0.48	7.27	16.43	37.96	70.12
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	0.90	28.03	4.27	23.02	46.38	83.20	185.80
Net block							
As March 31, 2020	0.79	9.03	1.57	16.29	111.29	248.67	387.64
As March 31, 2021	0.99	9.78	1.09	9.49	94.86	210.71	326.92

Intangible assets

	Software	Total
Gross carrying amount		
Balance as at April 1, 2019	8.63	8.63
Re-classification adjustment	0.30	0.30
Additions	6.73	6.73
Disposals	-	-
Balance as at March 31, 2020	15.66	15.66
Additions	24.25	24.25
Disposals	-	-
Balance as at March 31, 2021	39.91	39.91
Amortization		
Balance as at April 1, 2019	2.68	2.68
Re-classification adjustment	1.30	1.30
Additions	4.13	4.13
Disposals	-	-
Balance as at March 31, 2020	8.11	8.11
Additions	9.00	9.00
Disposals	-	-
Balance as at March 31, 2021	17.11	17.11
Net block		
As March 31, 2020	7.55	7.55
As March 31, 2021	22.80	22.80

Notes

i) There are no pending contractual commitments to be executed on capital account.

ii) During the previous year, some of the assets were reclassified as office equipment and intangible assets from furniture & fixtures and computers.

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Other non- financial assets

	As at March 31, 2021	As at March 31, 2020
Capital advance	6.13	9.14
Prepaid expenses	88.99	46.10
Balances with statutory / government authorities	6.93	55.30
Deferred rent expenses	0.10	0.10
Other non-financial assets	1.12	2.23
Total	**103.27**	**112.87**

Assets held for sale

Assets under settlement	189.85	189.85
	189.85	**189.85**

These assets represent assets acquired from the Holding Company's borrowers as a part of Group's risk management strategy. In these cases, the Holding Comapny had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Holding Company and borrower to transfer the asset in the name of the Holding Company towards settlement of the loan amount.

Trade payables

Total outstanding dues of Micro Enterprises and Small Enterprises *	110.75	78.68
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	195.23	164.55
Total	**305.98**	**243.23**

*** Details of total outstanding dues of Micro Enterprises and Small Enterprises are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	110.75	78.68
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Debt securities (at amortised cost)

Non convertible debentures (refer note 17.1)	18,551.69	20,547.57
Optionally convertible debentures (refer note 17.2)	-	2,250.00
	18,551.69	**22,797.57**
Secured **	498.69	4,744.57
Unsecured	18,053.00	18,053.00
Total	**18,551.69**	**22,797.57**
Debt securities in India	18,551.69	22,797.57
Debt securities outside India	-	-
Total	**18,551.69**	**22,797.57**

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Group of Rs. 725 millions (previous year Rs. 7,620.21 millions).

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17.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2021	Amount outstanding as at March 31, 2020	Terms of redemption
INE604O07035	June 15, 2018	June 14, 2020	10,00,000	1,500	9.45%	1,500.00	-	1,498.34	24 months from the date of allotment. Coupon payment to be made half yearly
INE604O07100	July 18, 2019	August 17, 2020	10,00,000	900	10.35%	900.00	-	896.61	Series A: On August 17, 2020 Series B: On July 16, 2021 Series C: On July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
INE604O07118	July 18, 2019	July 16, 2021	10,00,000	950	10.35%	950.00	-	49.81	Series A: On August 17, 2020 Series B: On July 16, 2021 Series C: On July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
INE604O07126	July 18, 2019	July 15, 2022	10,00,000	1,000	10.35%	1,000.00	-	49.81	Series A: On August 17, 2020, Series B: On July 16, 2021 and Series C: On July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
INE604O07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500.00	498.69	-	On or prior to 36 months from the first allotment date. Coupon payment frequency is yearly
Total							498.69	2,494.57	

All secured against first pari passu charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2021	Amount outstanding as at March 31, 2020	Terms of redemption
INE604O07142	November 1, 2019	December 1, 2020	100	2,00,00,000	10.35%	2,000.00	1,160.00	1,160.00	On or prior to 13 months from the first allotment date. Coupon payment frequency is quarterly
INE604O07134	November 8, 2019	December 8, 2020	100	25,00,000	10.35%	250.00	2,040.00	2,040.00	On or prior to 13 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08082	November 25, 2019	November 25, 2023	10,00,000	2,040.00	8.50%	2,040.00	2,040.00	2,040.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08090	December 10, 2019	December 10, 2023	10,00,000	867.00	8.50%	867.00	867.00	867.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08108	February 20, 2020	February 20, 2024	10,00,000	7,172.00	8.50%	7,172.00	7,172.00	7,172.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08124	February 28, 2020	February 28, 2024	10,00,000	4,640.00	9.50%	4,640.00	4,640.00	4,640.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08116	March 12, 2020	March 12, 2024	10,00,000	134.00	8.50%	134.00	134.00	134.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
Total							18,053.00	18,053.00	

17.2 Terms of redeemable optionally-convertible debentures (OCD's)
Secured

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2021	Amount outstanding as at March 31, 2020	Terms of redemption
INE604O08066	October 1, 2019	October 1, 2022	10,00,000	1,160.00	10.35%	1,160.00	-	2,000.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly.
INE604O08074	October 21, 2019	October 21, 2022	10,00,000	2,040.00	10.35%	2,040.00	-	250.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly.
Total							-	2,250.00	

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18 Borrowings (other than debt securities) (at amortised cost)

	As at March 31, 2021	As at March 31, 2020
Secured*		
Term loans		
From banks	1,181.19	2,824.83
Liabilities against leased assets	242.29	266.45
	1,423.48	**3,091.28**
Borrowings in India	1,423.48	3,091.28
Borrowings outside India	-	-
Total	**1,423.48**	**3,091.28**

*Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Group to the extent of Rs. 2,397.07 millions (Previous year: Rs. 4,651.98 millions).

Terms of repayment of borrowings as on March 31, 2021 are as follows:

Lender	Repayment	Rate of interest	Security cover	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020
HDFC Bank	16 quarterly installments	>6%<12%	133%	56.21	131.04
HDFC Bank	12 monthly installments	>6%<12%	133%	-	186.70
Kotak Mahindra Bank	12 quarterly installments	>6%<12%	133%	-	49.96
Union Bank of India	14 quarterly installments	>6%<12%	133%	-	248.35
Union Bank of India	14 quarterly installments	>6%<12%	133%	27.17	354.04
AU Small Finance Bank	36 monthly installments	>6%<12%	110%	0.92	162.22
AU Small Finance Bank	36 monthly installments	>6%<12%	110%	-	191.21
South Indian Bank	14 quarterly installments	>6%<12%	133%	85.61	170.84
Lakshmi Vilas Bank-III	12 quarterly installments	>6%<12%	133%	-	166.02
Bank of Baroda-I	16 quarterly installments	>6%<12%	133%	494.23	737.18
Bank of Baroda-2	16 quarterly installments	>6%<12%	133%	497.05	-
Hinduja Leyland Finance	36 monthly installments	>6%<12%	110%	-	427.27
[illegible]	7 monthly Installments	>6%<12%	125%	20.00	-
Total				**1,181.19**	**2,824.83**

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19 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due		
- Debt securities	156.43	215.41
- Borrowings other than debt securities	0.67	6.34
Expenses payable	95.55	69.20
Other financial liabities	382.68	197.92
	635.33	**488.87**

20 Provisions

Provision for gratuity	23.24	17.46
Provision for compensation absences	34.27	21.08
	57.51	**38.54**

21 Other non-financial liabitilies

Statutory dues payable	44.73	42.58
Others*	292.54	174.69
Total	**337.27**	**217.27**

* Include processing fee refundable to channel partners, advance received from borrowers and amount collected from borrowers as Debt service reserve account (DSRA).

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22 Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	96,50,00,000	9,650.00	96,50,00,000	9,650.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	1,00,00,00,000	10,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	64,20,35,533	6,420.36	55,89,79,166	5,589.79
Sub total (A)	64,20,35,533	6,420.36	55,89,79,166	5,589.79
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	3.15
Sub total (B)	5,73,15,400	16.22	5,73,15,400	3.15
Total (A+B)	69,93,50,933	6,436.58	61,62,94,566	5,592.94

22.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	61,62,94,566	5,592.94	52,09,57,897	5,209.58
Shares issued during the year	8,30,56,367	830.57	7,52,79,865	182.79
Shares issued pursuant to conversion of compulsorily convertible preference shares	-	-	2,00,56,804	200.57
First call money called on party paid up shares	-	13.07	-	-
Balance at the end of year	69,93,50,933	6,436.58	61,62,94,566	5,592.94

22.2 Shares held by holding Company

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	74.34%	43,89,39,922	71.22%
	51,98,89,603	74.34%	43,89,39,922	71.22%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

22.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
Equity shares of Rs. 10 each fully paid up	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	74.34%	43,89,39,922	71.22%
NIS Ganesha S.A.	6,47,35,441	9.26%	6,47,35,441	10.50%
K2VZ (refer (i) below)	5,73,15,400	8.20%	5,73,15,400	9.30%

Note: As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) During the previous year, 57,315,400 equity shares of Rs. 10 each issued on partly-paid up basis where subscription amount being received on allotment was Rs. 32.11 millions as paid up value of Rs. 0.56 per share inclusive of premium of Rs. 0.51 per share calculated proportionately. Further during the current year, the Board of Directors of the Holding Company made the first call of Rs. 2.32 per equity shares (including Rs. 2.09 per share on account of security premium) on 57,315,400 partly paid equity shares. Accordingly, the Holding Company received an amounting to Rs. 133.13 million.

(ii) During the current year, the Holding Company has issued 83,056,367 equity shares comprising of 80,949,681 of Rs. 10 per share at Rs. 116.36 per share (including premium of Rs. 106.36 per share) and 2,106,686 equity shares of Rs. 10 per share at Rs. 113.34 per share (including Rs. 103.34 per share). The amount received on these issues aggregates to Rs. to Rs. 9,658.08 million.

(iii) The Holding Company had issued 2,7783,195 Compulsorily Convertible Preference Shares ("CCPS") namely Series B, Series C, Series D, Series E, Series F and Series G to different holders from time to time. As per the terms of issue of CCPS, the CCPS were converted into 2,00,56,804 ordinary equity shares of the Company on November 8, 2019.

22.4 Rights, preferences and restrictions

The Holding Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

22.5 Aggregate number of shares issued for consideration other than cash during the five years

The Holding Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

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23 Other equity

	As at March 31, 2021	As at March 31, 2020
Securities premium	23,495.35	14,547.77
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	977.46	932.84
Share option outstanding account	140.95	66.58
Retained earnings	3,931.60	3,701.95
Total	**28,626.57**	**19,330.35**

Security premium
Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013

Capital redemption reserve
The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares

Statutory reserve u/s 45-IC of RBI Act
The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Share option outstanding account
The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Holding Company's employee stock option plan.

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24 Interest income

	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest on portfolio loans	6,394.70	18.35	5,741.30	6.47
Interest on investments	292.64	175.86	182.57	155.58
Interest on deposits	34.94	-	6.49	-
Total interest income	**6,722.28**	**194.21**	**5,930.36**	**162.05**
		6,916.49		**6,092.41**

25 Fees and commission income

	Year ended March 31, 2021	Year ended March 31, 2020
Commission on card reload	18.48	45.28
Others	62.91	50.19
	81.39	**95.47**

26 Net gain on fair value changes

Net gain on financial instruments at fair value through profit and loss

Investments	587.60	225.65
	587.60	**225.65**
Analysis of fair value changes		
Realised	355.03	209.02
Unrealised	232.57	16.63
Total	**587.60**	**225.65**

27 Other income

Cost sharing from group companies	103.38	89.61
Miscellaneous income	0.36	0.32
Total	**103.74**	**89.93**

28 Finance costs

Interest		
- on non convertible debentures	1,699.45	952.03
- on bank term loan	141.75	396.28
- on bank cash credit	0.32	10.42
- on delayed deposit of statutory dues	0.81	0.20
- on leasing arrangements	24.54	20.86
Other borrowing costs	63.17	75.25
Total	**1,930.04**	**1,455.04**

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29 Fees and commission expense

	Year ended March 31, 2021	Year ended March 31, 2020
Selling partner commission	903.63	843.03
	903.63	**843.03**

30 Impairment on financial instruments

	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost
Loans	0.75	651.95	1.65	779.72
Investments	98.31	295.86	71.72	48.48
Write offs	-	1,801.87	-	631.58
Total	**99.06**	**2,749.68**	**73.37**	**1,459.78**
		2,848.74		**1,533.15**

31 Employee benefits expense

Salaries, wages and bonus	578.70	496.73
Contribution to provident and other funds	30.35	24.68
Share based payment to employees	75.78	40.90
Staff welfare expenses	18.44	15.09
Total	**703.27**	**577.40**

32 Depreciation and amortization

Depreciation on property, plant and equipment	70.12	72.35
Amortisation of intangible assets	9.00	4.13
	79.12	**76.48**

33 Other expenses

Advertisement expenses	18.67	13.30
Legal and professional fees	382.68	195.16
Travelling and conveyance expenses	4.42	28.67
Auditor's remuneration (refer note 33.1)	4.24	3.96
Training expenses	145.65	90.94
Rates and taxes	1.55	2.46
Rent	12.65	8.51
Director's sitting fee	0.56	0.16
Corporate social responsibility (refer note 33.2)	25.15	23.34
Repair and maintenance	7.30	12.29
Insurance expense	0.10	0.04
Credit evaluation fee	116.07	35.49
Credit rating fee	2.05	9.10
Customer onboarding expenses	2.28	12.88
Miscellaneous expenses	179.95	221.52
Total	**903.32**	**657.82**

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33.1 Auditor's remuneration (excluding applicable taxes)

	Year ended March 31, 2021	Year ended March 31, 2020
- as auditors	3.05	2.79
- for tax services	0.03	0.29
- for other services	1.16	0.88
	4.24	**3.96**

33.2 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Group during the year was Rs. 25.15 millions in FY 2020-21 (Previous Year Rs. 23.34 millions) and Group has spent Rs. 25.15 millions in FY 2020-21 (Previous Year Rs. 23.34 millions).

For the year ended March 31, 2021	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	-
On purpose other than above	25.15	-	25.15

For the year ended March 31, 2020	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	-
On purpose other than above	23.34	-	23.34

34 Earning per share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to equity shareholders	**269.28**	**1,022.22**
Net profit for the year for basic EPS	269.28	1,022.22
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	**269.28**	**1,022.22**
Nominal value of equity shares (in Rs.)	**10.00**	**10.00**
Weighted-average number of equity shares for basis EPS	63,55,56,623	55,60,99,064
Effect of dilution		
Convertible instruments	28,00,936	28,00,936
Weighted-average number of equity shares for dilutive EPS	**69,64,77,457**	**55,89,00,000**
Basic EPS	0.42	1.84
Dilutive EPS	0.39	1.83

35 Retirement benefit plan

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Group in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 8.34 millions (previous year: Rs. 6.85 millions) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive Income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	17.46	8.56
Current service cost	7.06	6.25
Interest cost	1.17	0.67
Remeasurement (gain) / loss	(2.45)	1.98
Balance at the end of the year	**23.24**	**17.46**

Amount recognised in the statement of profit and loss is as under:	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	7.06	6.25
Interest cost on defined benefit obligation	1.17	0.67
Net impact on profit before tax	**8.23**	**6.92**

Amount recognised in the other comprehensive income:	Year ended March 31, 2021	Year ended March 31, 2020
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	(0.01)
Actuarial changes arising from changes in financial assumptions	(0.01)	2.10
Experience adjustments	(2.44)	(0.11)
Impact on other comprehensive income	**(2.45)**	**1.98**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the company's plans are shown below:

	Year ended March 31, 2021	Year ended March 31, 2020
Economic assumptions		
Discount rate	6.76%	6.76%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disablity	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) upto 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

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Sensitivity analysis for gratuity liability

	Year ended March 31, 2021	Year ended March 31, 2020
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(1.76)	(1.35)
Impact due to decrease of 0.50 %	1.94	1.50
Impact of the change in salary increase		
Impact due to increase of 0.50 %	1.95	1.51
Impact due to decrease of 0.50 %	(1.78)	(1.36)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
0 to 1 year	0.32	0.24
1 to 2 year	0.37	0.20
2 to 3 year	0.37	0.30
3 to 4 year	0.40	0.30
4 to 5 year	0.41	0.31
5 to 6 year	0.39	0.30
6th year onwards	20.97	15.81
Total expected payments	**23.23**	**17.46**

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36 Employee Stock Option Plan

I. The Holding Company has formulated share-based payment schemes for its Group employees. Details of all grants in operation during the Year ended March 31, 2021 are as given below:

Scheme Name	DMI ESOP Plan 2019	DMI ESOP Retention Plan 2019	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Date of grant	01-Apr-19	16-Mar-20	19-Mar-18	01-Apr-18	01-Oct-18	01-Apr-18	16-Feb-21	21-Apr-20	01-Apr-20	01-Jan-21
Date of Board / Committee approval	11-Feb-20	11-Feb-20	16-Mar-18	16-Mar-18	01-Oct-18	16-Mar-18	09-Apr-20	09-Apr-20	09-Apr-20	09-Apr-20
Number of Options granted	6,88,660	14,00,000	3,22,023	14,83,942	6,04,396	18,27,677	23,068	5,80,000	3,99,387	11,355
Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Graded vesting period *	As defined below	As defined below	As defined below	As defined below	As defined below	As defined below	100% after 3 years	As defined below	As defined below	As defined below
Number of employees to whom options were granted	40	10	6	17	5	5	1	18	44	2
First vesting date	31st March 2020	15th March 2021	18th March 2019	31-Mar-19	30-Sep-19	31-Mar-19	15-Feb-24	31-Mar-21	31-Mar-21	31-Mar-21
Exercise period **	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Vesting conditions	**DMI ESOP Plan 2019**	**DMI ESOP Retention Plan 2019**	**DMI ESOP Plan**	**DMI Retention Plan, 2018**	**DMI ESOP Plan, Management Scheme**	**DMI ESOP Plan, Legacy Scheme**	**DMI Employment Contract 2020**	**DMI Retention Bonus (NBFC Apr'20)**	**DMI Finance ESOP Plan 2020**	**DMI Variable 2019-20**
Exercise price per option	95.49	100	43.90	46.74	62.21	13.29	113.34	116.36	116.36	113.34
Stock price on the date of grant	95.49	101.87	22.81	24.68	95.49	24.68	113.34	116.36	116.36	113.34

* As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date

March 31, 2021

II. Reconciliation of options	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan,Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Options outstanding at the beginning of the year	3,22,023	15,50,442	7,23,981	18,27,677	7,72,377	17,00,000	-	-	-	-
Granted during the year	-	-	-	-	-	-	23,068	5,80,000	3,99,387	11,355
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	66,500	1,19,585	-	83,717	3,00,000	-	-	-	-
Outstanding at the end of the year	**3,22,023**	**14,83,942**	**6,04,396**	**18,27,677**	**6,88,660**	**14,00,000**	**23,068**	**5,80,000**	**3,99,387**	**11,355**
Weighted average remaining contractual life (in years)	1.96	2.00	2.50	2.00	3.00	3.96	4.88	4.00	4.00	4.76

March 31, 2020

II. Reconciliation of options	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan,Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019
Options outstanding at the beginning of the year	3,22,023	15,50,442	7,23,981	18,27,677	-	-
Granted during the year	-	-	-	-	7,72,377	17,00,000
Exercised during the year	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-
Outstanding at the end of the year	3,22,023	15,50,442	7,23,981	18,27,677	7,72,377	17,00,000
Weighted average remaining contractual life (in years)	2.96	3.00	3.50	3.00	4.00	4.96

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III. Computation of fair value

For undertaking fair valuation of ESOP, the Holding Company is using Black-Scholes Model.

ESOP PLAN	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019	DMI ESOP PLAN 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Management Scheme	DMI ESOP Plan, Legacy Scheme	DMI Employment Contract 2020	DMI Retention Bonus (NBFC Apr'20)	DMI Finance ESOP Plan 2020	DMI Variable 2019-20
Fair market value of shares (Rs.)	95.49	101.87	22.81	24.68	95.49	24.68	113.34	116.36	116.36	113.34
Volatility	30%	30%	15%	15%	15%	15%	30%	30%	30%	30%
Risk free rate	7.35%	6.50%	6.00%	7.50%	7.50%	7%	6.14%	6.14%	6.14%	6.14%
Exercise price (Rs.)	95.49	100	43.9	46.74	62.21	13.29	113.34	116.36	116.36	113.34
Option fair value	**38.86**	**40.47**	**0.67**	**1.15**	**49.45**	**15.32**	**43.35**	**44.51**	**44.51**	**43.35**

The Holding Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Holding Company. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Holding Company recognies share based compensation in the Statement of Profit and Loss with a corresponding credit to Capital Reserve Account (Share Options Outstanding Account).

The Holding Company has entered into Cost chargeback agreement with DMI Housing Finance Private Limited(Grantor) and post this agreement the Holding Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Holding Company, to the Grantor. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account viz Share Options Outstanding Account disclosed under notes.

The Holding Company has granted options of DMI Housing Finance Private Limited(Grantor) to its employees for which the Holding Company has entered into Cost chargeback agreement with the Grantor whereby the company would be required to pay the difference in market price and exercise price of the options exercised by the employees of the Holding Company. In the current year, the Holding Company has recognized Rs. 2.16 Millions as share based compensation expense in the Statement of Profit and Loss with a corresponding credit to a liability account which is Rs 9.29 Millions as on March 31,2021.

The employees' compensation expense for Stock options during the year ended 31 March 2021 amounts to Rs.75.78 millions (previous year Rs.40.90 millions).

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37 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director
Mr. Nipender Kochhar	Director
Mr. Jatinder Bhasin	Chief Financial Officer (upto 17 March 2021)
Mr. Krishan Gopal	Chief Financial Officer (w.e.f. 18 March 2021)
Mr. Sahib Pahwa	Company Secretary

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2VZ, Partnership Firm
DMI Alternative Investment Fund

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
DMI Housing Finance Private Limited	Cost share recovery	70.18	64.44
	Share based payment	2.16	3.92
	Interest on loan	20.78	-
	Repayment of loan	700.00	-
	Reimbursement of expense paid by related party on behalf of entity	-	0.98
DMI Alternative Investment Fund	Repayment of loan	800.00	-
	Interest expenses	23.75	-
DMI Alternatives Private Limited	Cost share recovery	33.46	25.17
	Share based payment	0.74	1.55

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Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
DMI Limited	Transfer of Compulsory Convertible Debentures	-	2.17
	Issue of equity shares	9,419.31	1,714.63
Mr. Sahib Pahwa	Loan / advance given	0.48	0.57
	Interest income	0.05	0.06
	Remuneration	4.12	4.03
	Loan received back	0.09	0.08
Mrs. Bina Singh	Transfer of Compulsory Convertible Debentures	-	2.17
	Sitting fee	0.10	0.06
Mr. Yuvraja Chanakya Singh	Remuneration	57.10	57.54
	Post employment benefits	0.36	0.36
	Issue of equity shares	119.39	-
Mr. Shivashish Chatterjee	Remuneration	56.38	56.08
	Post employment benefits	0.36	0.36
	Issue of equity shares	119.39	-
Mrs. Jayati Chatterjee	Sitting fees	0.18	0.16
Mr. Gurcharan Das	Sitting fees	0.10	0.06
Mr. Nipender Kochhar	Sitting fees	0.16	0.16
Mr. Jatinder Bhasin	Remuneration	10.92	12.58
Mr. Krishan Gopal	Remuneration	0.67	-
K2VZ	Issue of equity shares	133.13	32.11

(c) Outstanding balances with related parties:

Name of related party	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Mr. Sahib Pahwa	Loan receivable	0.48	0.57
DMI Housing Finance Private Limited	Loan payable	-	700.00
DMI Alternative Investment Fund	Loan payable	-	800.00
DMI Alternatives Private Limited	ESOP	4.89	4.15

Others

During the Year ended March 31, 2021, the Holding Company has bought back certain non convertible debentures from Mr. Sahib Pahwa for consideration of Rs 0.64 millions (previous year: Nil)

During the Year ended March 31, 2021, the Holding Company has bought back certain non convertible debentures from DMI Housing Finance Private Limited for consideration of Rs 126.48 millions (previous year: Nil)

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38 Impact of COVID 19 pandemic

The COVID-19 pandemic has continued to cause a significant disruption of the economic activities across the globe including India throughout the year, with second wave of the pandemic emerging towards the later part of the financial year in India. The Government of India announced a nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Holding Company's operations including lending and collection activities. Further, pursuant to the Reserve Bank of India ('RBI') COVID-19 Regulatory package issued vide circulars dated March 27, 2020 and May 23, 2020 which allowed lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, and consequently the Holding Company had offered a moratorium to its eligible borrowers until August 31, 2020.

In assessing the impairment allowance for loan portfolio, the Holding Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the first wave, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Holding Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Holding Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Holding Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Holding Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Holding Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Holding Company is significantly dependent on uncertain future economic conditions.

In accordance with the CoVID-19 Regulatory Packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Holding Company has offered moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to eligible borrowers. For such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e., the number of days past due excluded the moratorium period for the purposes of asset classification under income Recognition, Asset Classification and Provisioning Norms).

Further, on August 6, 2020, the Reserve Bank of India announced Resolution Framework for Covid related stress for personal loans, other eligible exposures and MSMEs (Resolution Framework 1.0) and further on May 5, 2021, Resolution Framework 2.0 was announced by RBI. On the basis of eligibility criteria defined by RBI in Resolution Framework 1.0 and 2.0, the Holding Company gave the benefit of restructuring the loan account to borrowers with total loan outstanding amounting to Rs 2,778.92 Millions.

39 Interest on interest

In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Holding Company has estimated the said amount and made provision for refund/adjustment in these standalone financial statements.

40 During the current year, in compliance with Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to Augut 31, 2020), the Holding Company granted the benefit amounting to Rs. 99.47 millions to its borrowers.

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41 Capital

The Holding Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Holding Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Holding Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Holding Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Holding Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Holding Company endeavors to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2021	As at March 31,2020
Tier 1 CRAR	59.03%	43.31%
Tier 2 CRAR	1.17%	0.69%
Total CRAR	**60.20%**	**44.00%**

In case of un-disbursed loan facility, the Holding Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn commitment for the Holding Company are amounting to Nil.

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Holding Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

42 Contingent liabilities and commitments

Contingent liabilities

The Holding Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 4,447.17 millions as at March 31, 2021 (March 31,2020: Rs. 5,474.59 millions).

During the year, the Holding Company has received an assessment order for FY 2016-17 wherein the assessing officer has made an addition for an amount of Rs.6.42 millions on account of disallowance of deduction under section 80G of the Income-tax Act, 1961. The Holding Company has appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance has resulted into an additional demand of Rs. 2.26 million but the Holding Company has already paid the taxes more than by Rs. 2.31 million therefore, the Holding Company is not required to pay any additional demand. In presence of favorable case laws and judicial precedents wherein similar facts have been addressed, the Holding Company expects that the additional demand will be deleted by CIT (A).

Commitments

In case of un-disbursed loan facility, the Holding Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn commitment for the Holding Company are amounting to Nil.

43 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2019	**5,782.28**	**4,138.86**	-	9,921.14
Adoption of Ind AS 116	-	-	293.91	293.91
Cash flows:				-
- Repayment	(4,300.00)	(2,314.54)	(54.80)	(6,669.34)
- Proceeds	21,303.00	980.00		22,283.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	12.29	20.51		32.80
- Others			27.34	27.34
March 31, 2020	**22,797.57**	**2,824.83**	**266.45**	**25,888.85**
Cash flows:				
- Repayment	(4,750.00)	(2,355.33)	(55.18)	(7,160.51)
- Proceeds	500.00	700.00	-	1,200.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	4.12	11.69	-	15.81
- Others	-	-	31.02	31.02
March 31, 2021	**18,551.69**	**1,181.19**	**242.29**	**19,975.17**

44 Leases

The Holding Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.
The Holding Company also has certain lease with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	248.67	-
Additions made during the year	-	293.91
Depreciation charge for the year	37.96	45.24
Balance at the end of the year	210.71	248.67

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	266.45	-
Additions made during the year	-	293.91
Interest accretion for the year	31.02	27.34
Payments made during the year	(55.18)	(54.80)
Balance at the end of the year	242.29	266.45

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2027-28.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2021	March 31, 2020
Depreciation expense in respect of right-of-use asset	37.96	45.24
Interest expense in respect of lease liabilities	24.54	20.86
Expense relating to short-term leases (included on other expenses)	12.65	8.51
Total amount recognised in profit or loss	**75.15**	**74.61**

The Holding Company's total cash outflows for leases was Rs 48.70 Millions during year (previous year Rs 54.80 Millions)

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45 Tax expenses

a The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are :

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	348.13	553.10
Deferred tax credit	(256.80)	(176.24)
Income tax expense reported in the statement of profit or loss	**91.33**	**376.86**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Group is 25.168% (March 31, 2020: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax (before share of profit of associate)	321.10	1,360.54
Income-tax rate	25.168%	25.168%
Expected tax expense	**80.81**	**342.42**
Expenditure disallowed	465.68	35.69
Income not subject to tax	(0.14)	26.46
Deductions	(458.23)	(28.99)
Short term capital gain	-	1.28
Tax for earlier years	3.21	-
Tax expense	**91.33**	**376.86**

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46 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	2,533.91	-	**2,533.91**	1,212.69	-	**1,212.69**
Bank balance other than cash and cash equivalents	267.21	-	**267.21**	15.20	-	**15.20**
Trade receivables	62.11	-	**62.11**	39.96	-	**39.96**
Loans	16,971.61	14,442.00	**31,413.61**	18,347.05	15,006.46	33,353.51
Investments	15,718.40	2,832.64	**18,551.04**	12,285.68	3,076.56	15,362.24
Other financial assets	2,017.09	20.26	**2,037.35**	549.41	20.32	569.73
Non- financal assets						
Current tax assets (net)	232.47	-	**232.47**	170.07	-	**170.07**
Deferred tax assets (net)	-	633.87	**633.87**	-	378.74	**378.74**
Property, plant and equipment	46.26	280.66	**326.92**	34.26	353.38	**387.64**
Intangible assets	-	22.80	**22.80**	-	7.55	**7.55**
Other non- financial assets	94.66	8.61	**103.27**	112.87	-	**112.87**
Assets held for sale	189.85	-	**189.85**	189.85	-	**189.85**
	38,133.57	**18,240.84**	**56,374.41**	**32,957.04**	**18,843.01**	**51,800.05**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	110.75	-	**110.75**	78.68	-	**78.68**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	195.23	-	**195.23**	164.55	-	**164.55**
Debt securities	-	18,551.69	**18,551.69**	4,744.57	18,053.00	22,797.57
Borrowings (other than debt securities)	600.22	823.26	**1,423.48**	1,473.46	1,617.82	3,091.28
Other financial liabilities	635.33	-	**635.33**	488.87	-	488.87
Non financial liabilities						
Provisions	57.51	-	**57.51**	38.54	-	**38.54**
Other non-financial liabitilies	337.27	-	**337.27**	217.27	-	**217.27**
Equity						
Equity share capital	-	6,436.58	**6,436.58**	-	5,592.94	**5,592.94**
Other equity	-	28,626.57	**28,626.57**	-	19,330.35	**19,330.35**
	1,936.31	**54,438.10**	**56,374.41**	**7,205.94**	**44,594.11**	**51,800.05**

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47 Risk management

Introduction and risk profile

In view of the intrinsic nature of operations, the Group is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management struture and policies

As a lending institution, the Group is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Group 's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks. Group 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. The Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Group manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Group's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Company liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities

March 31, 2021	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	2,533.91	-	-	-	-	-	-	-	2,533.91
Bank balance other than Cash and cash equivalents	-	-	-	261.91	5.30	-	-	-	267.21
Trade receivables	62.11	-	-	-	-	-	-	-	62.11
Loans	4,116.83	2,770.01	2,512.07	5,776.66	6,300.73	15,486.83	3,364.92	785.95	41,114.01
Investments	15,138.10	48.00	558.32	108.14	188.15	737.38	1,770.71	1,440.20	19,989.00
Other financial assets	247.23	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,037.35
Financial liabilities									
Trade payables	0.62		305.36						-
Debt securities	-	282.12	65.28	389.97	781.17	21,171.39			305.98
Borrowings (other than debt securities)	29.06	26.91	150.18	154.56	281.90	555.47	131.25	-	22,689.93
Other financial liabilities	100.50	140.74	50.69	254.50	88.90	-	-	-	1,329.33
									635.33

March 31, 2020	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	1,212.69	-	-	-	-	-	-	-	1,190.89
Bank balance other than Cash and cash equivalents	3.21	-	-	-	11.99	-	-	-	15.20
Trade receivables	39.96	-	-	-	-	-	-	-	39.96
Loans	2,593.84	2,118.42	2,992.18	6,648.71	8,331.45	14,228.42	3,434.35	1,481.82	41,829.19
Investments	12,161.83	29.90	74.29	163.00	355.11	1,342.95	374.97	1,905.34	16,407.39
Other financial assets	297.85	-	167.18	83.66	0.72	1.41	8.08	10.83	569.73
Financial liabilities									
Trade payables	3.53	-	239.70	-	-	-	-	-	243.23
Debt securities	99.34	341.77	1,584.51	1,482.22	3,111.37	6,231.68	15,900.46	-	28,751.35
Borrowings (other than debt securities)	68.87	164.22	207.04	439.49	790.57	1,602.71	-	-	3,272.90
Other financial liabilities	93.18	159.29	57.79	111.36	67.25	-	-	-	488.87

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Group. The Group's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks

It is the overall responsibility of the Group's senior management to approve the Group's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Group's overall business strategy and the same is reviewed every quarter by the senior management.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

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Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Group:

March 31, 2021	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	2,533.91	-	-	-	-	-	-	2,533.91
Bank balance other than Cash and cash equivalents	267.21	-	-	-	-	-	-	267.21
Term loans - Corporate (contractual amount of loans)	-	-	9,047.64	-	2,538.08	703.54	-	12,289.26
Term loans - Consumer loans (contractual amount of loans)	-	-	-	434.74	-	18,689.61	-	19,124.35
Trade receivables	7.47	-	-	-	-	54.64	-	62.11
Investments	16,072.26	-	1,048.07	-	1,410.49	-	20.22	18,551.04
Other financial assets	-	-	-	-	-	2,016.18	21.17	2,037.35
Total	18,880.85	-	10,095.71	434.74	3,948.57	21,463.97	41.39	54,865.23

March 31, 2020	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	1,212.69	-	-	-	-	-	-	1,212.69
Bank balance other than Cash and cash equivalents	15.20	-	-	-	-	-	-	15.20
Term Loans- Corporate(contractual amount of loans)	-	-	7,969.08	28.60	3,172.00	682.56	-	11,852.24
Consumer Loans(contractual amount of loans)		-	-	638.42	-	20,862.85	-	21,501.27
Receivables	6.31	-	-	-	-	33.65	-	39.96
Investments	12,907.60	-	1,095.73	-	1,339.74	-	19.17	15,362.24
Other financial assets	-	-	-	-	-	548.69	21.04	569.73
Total	14,141.80	-	9,064.81	667.02	4,511.74	22,127.75	40.21	50,553.33

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2021	As at March 31, 2020	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	18,734.85	15,104.51	Equity price
Credit substitutes	281.58	369.20	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	18,551.69	22,797.57	Interest rate
Borrowings (other than debt securities)	1,423.48	3,091.28	Interest rate

(i) Interest rate risk:-

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Group's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Group's net interest income, while a long term impact is on the Group's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Group is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Group. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss:

Particulars	Effect on net profit	
Borrowings	For the year ended March 31, 2021	For the year ended March 31, 2020
Decrease in 50 basis points	7.34	19.55
Increase in 50 basis points	(7.34)	(19.55)

Particulars	Effect on net profit	
Borrowings	For the year ended March 31, 2021	For the year ended March 31, 2020
Decrease in 50 basis points	-	15.12
Increase in 50 basis points	-	(15.12)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Group's FVOCI equities at 31 March 2021 would have increased equity by Rs. 186.90 millions (Previous year: Rs 168.29 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Group's FVTPL equities at 31 March 2021 would have increased profits by Rs. 1499.62 millions (Previous year: Rs. 1,234.98 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

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48 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.
In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Group's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2021				31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	-	14,776.92	-	14,776.92	-	12,147.61	-	12,147.61
Equity shares - Mcnally Bharat Engg Co. Ltd.	25.12	-	-	25.12	7.20	-	-	7.20
Security receipts of Alchemist XV Trust	-	194.11	-	194.11	-	195.00	-	195.00
Total financial investment measured at FVTPL	**25.12**	**14,971.03**	**-**	**14,996.15**	**7.20**	**12,342.61**	**-**	**12,349.81**
Financial investments measured at FVOCI								
Non-convertible debentures - Quoted	-	-	497.68	**497.68**	-	-	419.58	**419.58**
Compulsory convertible debentures	-	-	826.47	**826.47**	-	-	773.17	**773.17**
Non-convertible debentures - unquoted	-	-	142.83	**142.83**	-	-	120.76	**120.76**
Equity Instruments								
DMI Consumer Credit Private Limited	-	-	3.27	**3.27**	-	-	3.16	**3.16**
Alchemist Asset Reconstruction Company Limited	-	-	226.20	**226.20**	-	-	226.20	**226.20**
AIF II (Investment)	-	11.01	-	**11.01**	-	10.80	-	**10.80**
Flash Electronics Private Limited	-	-	304.40	**304.40**	-	-	250.00	**250.00**
Total financial investments measured at FVOCI	**-**	**11.01**	**2,000.85**	**2,011.86**	**-**	**10.80**	**1,792.87**	**1,803.67**
Total financial assets measured at fair value	**25.12**	**14,982.04**	**2,000.85**	**17,008.01**	**7.20**	**12,353.41**	**1,792.87**	**14,153.48**

Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds and security receipts are measured based on Net Asset Value (NAV) and are classified as Level 2.

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on networth of investee company or Valuation report issued by independednt Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

- Area delivered in past across segments
- Financial strength (of the entity and group)
- Debt track record (debt repaid in past, current & past delinquency)
- Stages of various projects of developer
- Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2021 and March 31, 2020

Movements in Level 3 financial instruments measured at fair value

	DMI Consumer Credit Private Limited	Alchemist Asset Reconstruction Co.Ltd.	Credit Subsitutes*	NCD Unquoted*	Compulsorily Convertible Debentures*	DMI Housing Finance Private Limited	Flash Electronics
At April 1, 2019	**3.00**	**316.68**	**895.85**	**917.41**	**772.93**	**264.87**	**250.00**
Purchase	-	-	-	120.12	-	-	-
Change in classification	-	-	(179.02)	(836.96)	-	-	-
Sales / settlements	-	-	(351.95)	(86.28)	(94.89)	(265.11)	-
Transfers into Level 3	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Proft and Loss	-	-	60.31	6.47	95.13	-	-
Gains / loss for the period recognized in the other comprehensive income	0.16	(90.48)	(5.61)	-	-	0.24	-
At March 31, 2020	**3.16**	**226.20**	**419.58**	**120.76**	**773.17**	**-**	**250.00**
Purchase	-	-	46.45	21.82	-	-	-
Change in classification	-	-	-	-	-	-	-
Sales / settlements	-	-	(42.98)	(18.11)	2.57	-	-
Transfers into Level 3	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Proft and Loss	-	-	74.63	18.35	101.23	-	-
Gains / loss for the period recognized in the other comprehensive income	0.11	-	-	-	(50.50)	-	54.40
At March 31, 2021	**3.27**	**226.20**	**497.68**	**142.82**	**826.47**	**-**	**304.40**

*Total Gains/Loss for the period recognized in the Statement of Proft and Loss consists of income other than fair value change

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to consolidated Financial Statements for the year ended March 31, 2021
(All Amount in Rs. In millions, unless otherwise stated)

pact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions
e table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's level 3 assets and bilities.

rch 31, 2021	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
uity shared in DMI Consumer Credit Private Limited	3.27	Net Worth of Investee Company	Instrument price
uity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
n-convertible debentures - Quoted	497.68	Discounted Projected Cash Flows	Discount margin / spread
uity shares in Flash Electronics Private Limited	304.40	Discounted Projected Cash Flows	Instrument price
mpulsory convertible debentures	826.47	Discounted Projected Cash Flows	Discount margin / spread
n-convertible debentures - unquoted	142.83	Discounted Projected Cash Flows	Discount margin / spread

rch 31, 2020	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
uity shared in DMI Consumer Credit Private Limited	3.16	Net Worth of Investee Company	Instrument price
uity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
n-convertible debentures - Quoted	419.58	Discounted Projected Cash Flows	Discount margin / spread
uity shares in Flash Electronics Private Limited	250.19	Discounted Projected Cash Flows	Instrument price
mpulsory convertible debentures	773.17	Discounted Projected Cash Flows	Discount margin / spread
n-convertible debentures - unquoted	120.76	Discounted Projected Cash Flows	Discount margin / spread

antitative analysis of significant unobservable inputs

rument price
en the nature of this approach, there is no range of prices used as inputs.

count margin/spreads
count margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are ed to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the certainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex uments.

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2021		March 31, 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTOCI				
Equity shared in DMI Consumer Credit Private Limited	0.33	(0.33)	0.32	(0.32)
Equity shares in Alchemist Asset Reconstruction Company Limited	26.07	(26.07)	22.62	(22.62)
Non-convertible debentures - Quoted	7.17	(7.17)	41.96	(41.96)
Non-convertible debentures - unquoted	14.28	(14.28)	12.08	(12.08)
Equity shares in Flash Electronics Private Limited	30.44	(30.44)	25.00	(25.00)
Compulsory convertible debentures	82.65	(82.65)	77.32	(77.32)
Total	**160.94**	**(160.94)**	**179.30**	**(179.30)**

air value of financial instruments not measured at fair value

et out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in e financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

	March 31, 2021		March 31, 2020	
	Fair value	Carrying value	Fair value	Carrying value
nancial assets:				
ans and advances				
Corporate loans	12,715.14	12,151.09	11,630.70	11,735.33
estments – at amortised cost				
Non-convertible debentures - Quoted	1,156.59	1,171.88	1,259.61	1,227.52
ancial liabilities:				
ot securities	18,876.47	18,553.00	21,676.24	21,303.00

uation methodologies of financial instruments not measured at fair value

ow are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured air value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and mptions relate only to the instruments in the above tables.

owings - At Amortised cost

e includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using al or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

stments - At amortised cost

e includes Quoted non convertible debenture & corporate loans. The fair values of such instruments are estimated using a discounted cash flow l based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These ument are classified in Level 3.

s and liabilities other than above

arrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(All amount in Rs. in millions, except for share data unless stated otherwise)

49 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DMI Finance Private Limited	99.05%	34,853.90	80.7%	223.08	99.89%	4.98	81.05%	228.06
Subsidiaries								
DMI Capital Private Limited	0.90%	317.89	3.4%	9.52	0.11%	0.01	3.39%	9.53
DMI Management Services Private Limited	0.05%	17.78	1.6%	4.29	0.00%	0.00	1.52%	4.29
Associate (Investment as per equity method)								
DMI Alternatives Private Limited	0.00%	-	14.3%	39.51	0.00%		14.04%	39.51
Total	100.00%	35,189.57	100.0%	276.40	100.00%	4.99	100.00%	281.39
Adjustments arising out of consolidation		(126.42)		(7.12)		0.00		(7.12)
Total		35,063.15		269.28		4.99		274.27

50 Segment information

The Group derives its major revenues from financing activities which has similar risks and returns and therefore, for the purpose of Ind AS 108 "Operating segments", 'Financing' is the single reportable business segment. Further, the Group operates only in India which is considered as a single geographical segment.

51 Events occurring after reporting date

There are no significant events after the reporting period which require any adjustment or disclosure in the financial statements.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013
Chartered Accountants

Manish Gujral
Partner
Membership No. 105117

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: September 3, 2021

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: NEW YORK
Date: September 3, 2021

Yuvraj Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: NEW DELHI
Date: September 3, 2021

Krishan Gopal
(Chief Financial Officer)

Place: GURUGRAM
Date: September 3, 2021

Sahil Pahwa
(Company Secretary)
M No. A24789

Place: GURUGRAM
Date: September 3, 2021

DMI FINANCE PVT. LTD. NEW DELHI

Annexure-III

BSE
The Power of Vibrance

DCS/COMP/MJ/IP-PPDI/340/23-24

November 16, 2023

DMI FINANCE PRIVATE LIMITED
Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg,
Central Delhi, New Delhi, Delhi, India, 110002

Dear Sir/Madam

Re: Private Placement of issue of non-convertible debentures (including (i) senior secured, (ii) unsecured, (iii) subordinated, (iv) senior unsecured, (v) market linked debentures to be issued or redeemed at a premium/discount in one or more tranches/series (GID 16.11.23 Ref no.:01/2023/NCD).

We acknowledge receipt of your application on the online portal on November 15, 2023 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com).

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

10. Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18 and ensure compliance of the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under General information Documents which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Rupal Khandelwal
Deputy General Manager

Akshay Arolkar
Deputy Manager

DMI FINANCE PRIVATE LIMITED

Date: December 14, 2023

TO:
BSE LIMITED
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai, Maharashtra - 400001, India

(A)	**Issue of rated non-convertible debentures (including (i) senior secured, (ii) unsecured, (iii) subordinated, (iv) senior unsecured, (v) market linked debentures, (vi) non-convertible debentures to be issued or redeemed at a premium/discount, and/or (vii) any others (as may be determined)) in one or more tranches/series (each such tranche shall hereinafter be referred as "Debentures" or "NCDs") on a private placement basis.**
(B)	**Issue of rated commercial papers (as defined in the Debt Listing Regulations (as defined below)) in one or more tranches/series (each such tranche shall hereinafter be referred as "CPs") on a private placement basis.**

Registered Office:
Express Building, 3rd Floor,
9-10, Bahadur Shah Zafar
Marg, New Delhi-110002
T: +91 11 41204444
F: +91 11 41204000
email: dmi@dmifinance.in
U64990DL2008PTC182749

RE: ADDENDUM NUMBER 01 TO THE GENERAL INFORMATION DOCUMENT DATED NOVEMBER 16, 2023 ("ADDENDUM"):

1. Pursuant to the general information document dated November 16, 2023 ("**GID**" or "**General Information Document**") issued by DMI Finance Private Limited ("**Company**" or "**Issuer**"), the Issuer has issued/proposes to issue, for the duration of the validity of the General Information Document, the Debentures on a private placement basis.

2. Based on internal discussions and discussions with investors, in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("**Debt Listing Regulations**") and the regulations prescribed by the Reserve Bank of India, the Issuer is now desirous of issuing CPs.

3. Based on discussions with BSE Limited, the Issuer is now desirous of issuing this Addendum to the General Information Document to extend the applicability of the General Information Document for the issuance of CPs.

4. For the purposes of Chapter VI of the Debt Listing Regulations and Regulation 51 of the Debt Listing Regulations, the Issuer confirms:

   (a) that the General Information Document applies for the issuance of CPs;

   (b) for each issuance of CPs, it will issue a key information document with such disclosures as may be specified by the Securities and Exchange Board of India;

   (c) the Issuer has obtained Securities and Exchange Board of India Complaints Redress System (SCORES) authentication, and will use such authentication for the issuance and listing of CPs; and

   (d) in respect of every issuance of CPs, it shall pay the fees specified in Schedule VI of the Debt Listing Regulations prior to this listing of the CPs.

DMI FINANCE PVT. LTD. NEW DELHI

5. This Addendum is supplemental to and shall be read in conjunction with the General Information Document.

6. I am authorized by the Board of Directors of the Issuer *vide* the resolution number 10 and 05 dated February 14, 2023 and November 17, 2023, to sign this Addendum.

7. Capitalised terms used and not defined herein shall have the meaning given to them in the General Information Document.

For **DMI FINANCE PRIVATE LIMITED**

Name: Yuvraja Chanakya Singh
Title: Joint Managing Director

DMI FINANCE PVT. LTD. NEW DELHI

Registered Office:
Express Building, 3rd Floor,
9-10, Bahadur Shah Zafar
Marg, New Delhi-110002
T: +91 11 41204444
F: +91 11 41204000
email: dmi@dmifinance.in
U64990DL2008PTC182749

S.N. Dhawan & CO LLP
Chartered Accountants

Plot No 51-52, 2nd Floor
Udyog Vihar, Phase IV, Sector-18
Gurugram, Haryana 122016
India

Tel: +91 124 481 4444

Independent Auditor's Report

To the Board of Directors of DMI Finance Private Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the Standalone Financial Results of DMI Finance Private Limited ("the Company") for the year ended 31 March 2024 included in the accompanying 'Statement of Audited/Unaudited Standalone Financial Results for the quarter and year ended 31 March 2024' ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations ").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and

ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, RBI guidelines and other accounting principles generally accepted in India, of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these Standalone Financial Results that give a true and fair view of the net profit and total comprehensive income and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. and RBI Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Standalone Financial Results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion is not modified in respect of above matter.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Manish

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Manish Surana
Partner
Membership No.: 503812
UDIN No.: 24503812BKFMTR6319

Place: Gurugram
Date: 16 May 2024

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Standalone Statement of Assets and Liabilities as at March 31, 2024
(All Amount in Rs. in millions, unless stated otherwise)

Particulars	As at March 31,2024 (Audited)	As at March 31, 2023 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	10,259.51	5,628.39
Bank balance other than cash and cash equivalents	1,151.79	560.10
Trade receivables	64.57	308.05
Loans	1,18,427.96	67,331.33
Investments	6,290.31	8,465.14
Other financial assets	1,171.09	1,089.55
Total financial assets	**1,37,365.23**	**83,382.56**
Non financial assets		
Current tax assets (net)	128.56	185.78
Deferred tax assets (net)	2,043.48	1,127.16
Property, plant and equipment	141.04	140.53
Right of use asset	219.48	196.35
Capital work in progress	4.68	-
Intangible assets under development	2.54	8.78
Other intangible assets	30.97	21.66
Other non financial assets	223.13	165.66
Total non financial assets	**2,793.88**	**1,845.92**
Assets held for sale	75.00	75.00
TOTAL ASSETS	**1,40,234.11**	**85,303.48**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
A) Trade payables		
(i) total outstanding dues of micro and small enterprises	25.33	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises	1,766.68	1,133.20
B) Other payables	-	-
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	730.36	525.06
Debt securities	8,862.16	16,837.91
Borrowings (other than Debt Securities)	59,509.28	23,888.51
Lease liabilities	265.29	242.29
Other financial liabilities	488.74	283.98
Total financial liabilities	**71,647.84**	**42,919.92**
Non financial liabilities		
Provisions	131.65	96.35
Other non-financial liabilities	295.34	226.04
Total non financial liabilities	**426.99**	**322.39**
Equity		
Equity share capital	7,424.87	6,567.75
Other equity	60,734.41	35,493.42
	68,159.28	**42,061.17**
TOTAL LIABILITIES AND EQUITY	**1,40,234.11**	**85,303.48**

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Statement of audited/unaudited standalone financial results for the quarter and year ended March 31, 2024
(All Amount in Rs. in millions, unless stated otherwise)

Particulars	For the quarter ended March 31, 2024	For the quarter ended Dec 31, 2023	For the quarter ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue from operations					
Interest income	7,490.86	6,894.33	4,339.98	25,301.72	15,969.48
Dividend income	-	16.00	3.34	16.00	3.34
Fees and commission income	210.38	169.38	93.49	641.10	201.74
Net gain on fair value changes	97.18	126.76	78.32	508.97	197.60
Total revenue from operations	7,798.42	7,206.47	4,515.13	26,467.79	16,372.16
Other income	122.48	40.73	64.44	219.50	192.90
Total income	7,920.90	7,247.20	4,579.57	26,687.29	16,565.06
Expenses					
Finance costs	1,652.49	1,431.17	833.03	4,867.48	3,018.66
Fees and commission expense	426.89	419.04	317.91	1,584.00	1,329.74
Impairment on financial instruments	2,983.63	2,554.27	675.89	9,148.66	4,012.20
Employee benefits expense	357.99	448.07	319.37	1,634.04	1,235.22
Depreciation, amortization and impairment	31.60	31.06	29.02	116.40	108.20
Other expenses	1,152.93	1,076.28	754.32	3,860.65	2,482.46
Total expenses	6,605.53	5,959.89	2,929.54	21,211.23	12,186.48
Profit before tax	1,315.37	1,287.31	1,650.03	5,476.06	4,378.58
Tax expense:					
(1) Current tax	735.87	424.42	388.23	2,226.12	1,520.76
(2) Deferred tax	(482.40)	(101.48)	36.10	(916.44)	(382.34)
Income Tax Expense	253.47	322.94	424.33	1,309.68	1,138.42
Net profit after tax	1,061.90	964.37	1,225.70	4,166.38	3,240.16
Other comprehensive income					
a) Items that will not be reclassified to profit or loss					
(i) Re-measurement gains on gratuity	0.26	-	5.53	0.26	5.53
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income	5.48	0.07	188.25	0.23	227.72
Income tax relating to above	(1.44)	(0.02)	(48.78)	(0.12)	(58.71)
Subtotal (a)	4.30	0.05	145.00	0.37	174.54
b) Items that will be reclassified to profit or loss					
(i) Gain/(loss) on Fair Value changes	-	-	-	-	-
Income tax relating to above	-	-	-	-	-
Subtotal (b)	-	-	-	-	-
Total other comprehensive income (a+b)	4.30	0.05	145.00	0.37	174.54
Total comprehensive income	1,066.20	964.42	1,370.69	4,166.75	3,414.70
Paid-up equity share capital (face value of Rs. 10 per equity share)				7,424.87	6,567.75
Other equity				60,734.41	35,493.42
Earnings per share (EPS)*					
- Basic (amount in Rs.)	1.43	1.30	1.87	5.64	4.93
- Diluted (amount in Rs.)	1.41	1.28	1.84	5.57	4.86

*EPS for the quarter ended March 31,2024, Dec 31,2023 and March 31,2023 are not annualized.

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Standalone Statement of Cash Flows for the year ended March 31, 2024
(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
A Cash flow from operating activities:		
Profit before tax	5,476.06	4,378.58
Adjustments for		
Depreciation and amortisation	116.40	108.20
Net gain on fair value changes	(506.97)	(197.60)
Impairment on financial instruments	10,523.23	4,801.60
Interest expense for leasing arrangements	23.73	26.33
Effective interest rate adjustment for financial instruments	(6,295.24)	(4,554.41)
Asset held for sale written off	-	68.88
Dividend income	(16.00)	(3.34)
Liabilites no longer required written back	(139.20)	-
Gratuity and compensation absences	37.87	26.84
Interest income deposits with bank	(56.50)	(38.08)
Employee stock option/share warrant expense	345.39	160.41
Operating profit before working capital changes	9,506.77	4,777.41
(Increase) in financial and other assets	(55,529.22)	(20,830.75)
Increase in financial and other liabilities	1,059.90	654.01
Decrease in non financial assets	(57.47)	(62.10)
Increase in non financial liabilities	66.99	160.94
Total of changes in working capital	(54,459.80)	(20,077.90)
Direct taxes paid (net of refunds)	(2,168.90)	(1,421.83)
Net cash flow generated from / (used in) operating activities (A)	(47,121.93)	(16,722.32)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	(69.87)	(71.44)
Purchase of investment	(78,645.31)	(76,951.65)
Sale of investment	82,042.94	79,996.70
Investments		
Dividend income	16.00	3.34
Movement of fixed deposits (net)	(591.69)	(265.65)
Interest income deposits with bank	45.03	38.08
Net cash flow from / (used in) investing activities (B)	2,797.10	2,749.38
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	21,585.97	4.97
Receipt of upfront money on share warrant	-	0.22
Proceeds from borrowings		
Proceeds from borrowings (other than debt securities)	62,808.56	31,517.19
Repayment of borrowings (other than debt securities)	(27,369.22)	(16,664.49)
Proceeds from debt securities	11,888.82	1,500.00
Repayment of debt securities	(19,879.53)	(3,219.16)
Lease payments	(78.65)	(70.67)
Net cash flow generated from financing activities (C)	48,955.95	13,068.06
Net increase in cash and cash equivalents (A+B+C)	4,631.12	(904.88)
Cash and cash equivalents as at the beginning of the year	5,628.39	6,533.27
Cash and cash equivalents at the end of the year	10,259.51	5,628.39

Notes:

1) **Components of cash and cash equivalents**

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.08	0.05
Balance with banks		
In current accounts and overdraft accounts	9,759.43	5,628.34
deposits with original maturity of less than 3 months	500.00	-
Total cash and cash equivalents	10,259.51	5,628.39

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited

Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002

CIN - U64990DL2008PTC182749

Annexure 1

Disclosure in compliance with Regulation 52(4) of the SEBI(Listing Obligation and Disclosure Requirements) Regulation, 2015

Particulars	Description	For the Quarter ended March 31, 2024 (Unaudited)	For the Quarter ended Dec 31, 2023 (Unaudited)	For the Quarter ended March 31, 2023 (Unaudited)	For the Year ended March 31,2024 (Audited)	For the Year ended March 31,2023 (Audited)
Debt Equity Ratio (Nos. of times):	[(Debt securities+ Borrowings (other than Debt Securities)]/Total equity	1.00	1.05	0.97	1.00	0.97
Debenture Redemption Reserve		NA	NA	NA	NA	NA
Capital Redemption Reserve (INR in millions)		81.21	81.21	81.21	81.21	81.21
Debt service coverage ratio		NA	NA	NA	NA	NA
Interest service coverage ratio		NA	NA	NA	NA	NA
Outstanding redeemable preference shares (Nos.)		NA	NA	NA	NA	NA
Inventory turnover		NA	NA	NA	NA	NA
Debtor turnover		NA	NA	NA	NA	NA
Operating margin		NA	NA	NA	NA	NA
Net profit after tax (INR in millions)		1061.90	964.37	1225.70	4166.38	3240.16
Net profit margin	Net profit after tax / total revenue from operations	13.62%	13.38%	27.15%	15.74%	19.79%
Basic earnings per share(for the period)**		1.43	1.30	1.87	5.64	4.93
Diluted earnings per share(for the period)**		1.41	1.28	1.84	5.57	4.86
Outstanding redeemable preference shares (Amount)		NA	NA	NA	NA	NA
Net Worth (Total Equity) (INR in millions)	Total equity	68,159.28	67,033.79	42,061.17	68,159.28	42,061.17
Current Ratio (Nos. of times)	(Current assets / Current liabilities)	NA	NA	NA	NA	NA
Long term debt to working capital		NA	NA	NA	NA	NA
Bad debts to Account receivable ratio		NA	NA	NA	NA	NA
Current liability ratio	(Current liabilities / Total outside liabilities)	NA	NA	NA	NA	NA
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	48.76%	49.77%	47.74%	48.76%	47.74%
Gross Non-Performing Assets	Gross Stage III loans Exposure at default (EAD) / Gross total loans EAD	2.61%	2.62%	3.60%	2.61%	3.60%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	1.58%	1.52%	1.50%	1.58%	1.50%
Capital to risk weighted Assets Ratio (Tier I + Tier II)		44.76%*	43.51%*	50.87%	44.76%*	50.87%
Security cover ratio (no. of times)'	Amount of secured assets / Secured debt	1.25	1.23	1.28	1.25	1.28
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	40.11%	42.63%	59.31%	40.11%	59.31%
Liquidity Coverage Ratio(calculated as per RBI guidelines)		226%	378%	344%	226%	344%

* Reserve Bank of India (RBI) vide circular dated November 16, 2023 on Regulatory measures towards consumer credit and bank credit to NBFCs increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 986 bps (930 bps on December 31, 2023) on CRAR. On risk weight of 100%, capital adequacy ratio (including Tier-II capital) stood at 54.62% as on March 31, 2024 (52.81% on December 31, 2023).

**EPS for the quarter ended March 31,2024, Dec 31,2023 and March 31,2023 are not annualized.

' Security cover ratio is given for listed non-convertible debt securities only.

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited

Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749

Statement of Unaudited/Audited Standalone Financial Results for the quarter and financial year ended March 31, 2024

[Regulation 52 read with Regulation 54(2) of the SEBI (LODR) Regulations, 2015]

Notes to the audited/unaudited financial results:

1. The above standalone financial results have been reviewed by the Audit Committee of DMI Finance Private Limited ("the Company") at their meeting held on May 15, 2024 and approved by the Board of Directors of the Company at their meeting held on May 16, 2024.These results have been prepared in accordance with the requirement of Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended).

2. In accordance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, limited review of standalone financial results for the quarter and financial year ended has been carried out by the statutory auditors. The figures for the last quarter of the current and previous year are the balancing figures between the audited figures for the respective year covering the full financial year and the published unaudited year-to-date figures until the end of the third quarter of the relevant financial year. These figures are reviewed by the auditors in accordance with the provisions outlined in SEBI regulations.

3. The standalone financial results have been prepared in accordance with applicable Indian Accounting Standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015, and as specified under section 133 of the Companies Act 2013.

4. The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Company level. The operations of the Company fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Company operates in a single geographical segment, i.e. domestic.

5. During the quarter ended March 31, 2024 the Company has granted a total of 54,388 options to its employees.

6. Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and financial year ended March 31,2024 is given in Annexure 1.

7. Details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework – 1.0) and May 5, 2021 (Resolution Framework 2.0) are given below:

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

INR (In millions)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) (Sep 30,2023)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (March 31,2024)
Personal loans	**82.36**	**3.18**	**12.19**	**25.89**	**41.09**
Of which MSMEs	1.60	-	-	0.53	1.06
Others	80.76	3.18	12.19	25.36	40.03
Corporate Persons*	-	-	-	-	-
Total	**82.36**	**3.18**	**12.19**	**25.89**	**41.09**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

8. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 in terms of RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

INR (In millions)

Details of stressed loans transferred during the financial year ended March 31,2024		
Particulars	**To ARCs**	**To permitted transferees**
No. of accounts	-	2,65,380
Aggregate principal outstanding of loans transferred - (in millions)	-	3,842.53
Weighted average residual tenor of the loans transferred	-	NA
Net book value of loans transferred (at the time of transfer) – (in millions)	-	-
Aggregate consideration	-	115.27
Additional consideration realized in respect of accounts transferred in earlier years	-	NA

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

9. Details of acquisition through assignment in respect of loans not in default during the year ended March 31,2024:

(all amounts in INR millions)	From lenders listed in Clause 3	From ARCs
Aggregate principal outstanding of loans acquired	30.87	-
Aggregate consideration paid	27.44	-
Weighted average residual tenor of loans acquired	8 months	-
Retention of beneficial economic interest by the originator	10%	-
Coverage of tangible security	-	-
Rating wise distribution of rated loans	NA	-
Mode of acquisition of pool	Assignment	-

10. All the Secured non-convertible debenture (NCD) including those issued during the year ended March 31,2024 are fully secured by first exclusive charge by hypothecation of book debts/loan to the extent stated in the information memorandum. Further, the Company has maintained Security Cover as stated in the information memorandum which is sufficient to discharge the principal amount at the time of repayment of the non-convertible debt securities issued.

11. The above unaudited/audited standalone results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.dmifinance.in).

12. The Reserve Bank of India has issued the Scale Based Regulation (SBR), which is a revised regulatory framework for Non-Banking Financial Companies (NBFCs). This framework is outlined in Circular No. RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001/2021-22, dated October 22, 2021. The Framework classifies NBFCs into four categories: Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL). The Company is classified as a "Middle Layer" entity in accordance with the Framework.

12. The comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary.

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
Joint Managing Director
DIN: 02623460
Date: May 16,2024
Place: NEW YORK

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS GURUGRAM

S.N. Dhawan & CO LLP
Chartered Accountants

Plot No 51-52, 2nd Floor
Udyog Vihar, Phase IV, Sector-18
Gurugram, Haryana 122016
India

Tel: +91 124 481 4444

Independent Auditor's Report

To the Board of Directors of DMI Finance Private Limited

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the Consolidated Financial Results of DMI Finance Private Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its associate and joint venture for the year ended 31 March 2024 included in the accompanying 'Consolidated Statement of Audited Financial Results for the year ended 31 March 2024' ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries and joint venture referred to in Other Matters section below, the Statement:

i. includes the annual financial results of the entities listed in Annexure 1.

ii. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended 31 March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, its associate and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group including its associate and joint venture in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations and RBI Regulations. The respective Board of Directors of the companies included in the Group and of its

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate and joint venture to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the Financial Statements of two subsidiaries whose Financial Statements reflects total assets(before consolidation adjustment) of Rs.896.25 millions as at 31 March 2024, total revenue (before consolidation adjustment) of Rs. 223.93 millions for the year ended 31 March 2024, net loss after tax (before consolidation adjustment) of Rs. 69.45 millions for the year ended 31 March 2024 and total comprehensive loss (before consolidation adjustment) of Rs. 68.85 millions for the year ended 31 March 2024 and net cash inflows (before consolidation adjustment) of Rs. 267.67 millions for the year ended 31 March 2024, as considered in the Consolidated Financial Results. The Statement also include the Group's share of net loss after tax of Rs.36.45 millions for the year ended 31 March 2024 and total comprehensive loss of Rs. 36.45 millions for the year ended 31 March 2024 respectively, as considered in the Statement, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated Auditor's Responsibility section above.

We did not audit the Financial Statements of one of the subsidiary, whose Financial Statements reflects total assets of Rs. Nil as at 31 March 2024, total revenue of Rs. Nil for the year ended 31 March 2024, loss after tax of Rs. 0.26 millions (up to the date of transfer) for the year ended 31 March 2024 and total comprehensive loss of Rs. 0.26 millions (up to the date of transfer) for the year ended 31 March 2024 and net cash outflows/(inflows) of Rs. Nil for the year ended 31 March 2024 as considered in the Consolidated Financial Results. The Statement also include the Group's share of net loss after tax of Rs.20.99 millions (up to the date of transfer) for the year ended 31 March 2024 and total comprehensive loss of Rs. 20.99 millions (up to the date of transfer) for the year ended 31 March 2024, as considered in the Statement, in respect of one associate These financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements are not material to the Group.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements certified by the Board of Directors.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Manish

Manish Surana
Partner
Membership No.: 503812
UDIN No.: 24503812BKFMTS1460

S.N. DHAWAN & CO. LLP ★ CHARTERED ACCOUNTANTS ★ GURUGRAM

Place: Gurugram
Date: 16 May 2024

Annexure 1

The Consolidated Results included in the Statement includes the results of the following entities:

Holding Company:
- DMI Finance Private Limited

Subsidiaries:
- DMI Capital Private Limited
- Appnit Technologies Private Limited
- DMI Management Private Limited (upto 1 November 2023)

Joint Ventures:
- Ampverse DMI Private Limited (w.e.f. 5 July 2023)

Associates:
- DMI Alternatives Private Limited (upto 25 September 2023)

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Audited Consolidated Statement of Assets and Liabilities as at March 31, 2024
(All Amount in Rs. in millions, unless stated otherwise)

Particulars	As at March 31,2024 (Audited)	As at March 31, 2023 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	10,580.18	5,699.76
Bank balance other than cash and cash equivalents	1,162.59	570.25
Trade receivables	68.86	312.09
Loans	1,18,439.86	67,344.47
Investments	5,712.82	8,136.80
Other financial assets	1,169.90	1,090.00
Total financial assets	**1,37,134.21**	**83,153.37**
Non financial assets		
Current tax assets (net)	148.20	198.76
Deferred tax assets (net)	2,158.37	1,219.49
Property, plant and equipment	142.76	143.00
Capital work in progress	4.68	-
Goodwill	253.53	253.53
Intangible assets under development	2.54	8.78
Right of use asset	219.48	196.35
Other intangible assets	30.97	21.66
Other non financial assets	316.58	249.76
Total non financial assets	**3,277.11**	**2,291.33**
Assets held for sale	75.00	75.00
TOTAL ASSETS	**1,40,486.32**	**85,519.70**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
A) Trade payables		
(i) total outstanding dues of micro and small enterprises	25.33	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises	1,796.58	1,165.75
B) Other payables	-	-
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	850.37	525.06
Debt securities	8,862.16	16,837.91
Borrowings (other than Debt Securities)	59,510.11	23,889.34
Lease liabilities	265.29	242.29
Other financial liabilities	488.74	283.98
Total financial liabilities	**71,798.58**	**42,953.30**
Non financial liabilities		
Provisions	139.44	102.31
Other non-financial liabitilies	439.65	261.79
Total non financial liabilities	**579.09**	**364.10**
Equity		
Equity share capital	7,424.87	6,567.75
Other equity	60,660.68	35,607.90
Equity attributable to equity shareholders of the company	**68,085.55**	**42,175.65**
Non Controlling Interest	23.10	26.65
TOTAL LIABILITIES AND EQUITY	**1,40,486.32**	**85,519.70**

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749

Statement of audited consolidated financial results for the financial year ended March 31, 2024
(All Amount in Rs. in millions, unless stated otherwise)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	(Audited)	(Audited)
Revenue from operations		
Interest income	25,302.45	15,970.05
Dividend income	-	3.34
Fees and commission income	754.28	265.41
Net gain on fair value changes	487.85	199.06
Total revenue from operations	26,544.58	16,437.86
Other income	195.59	182.56
Total Income	26,740.17	16,620.42
Expenses		
Finance costs	4,867.53	3,018.66
Fees and commission expense	1,758.82	1,357.13
Impairment on financial instruments	9,148.66	4,012.20
Employee benefits expense	1,696.66	1,281.61
Depreciation, amortization and impairment	117.44	108.91
Other expenses	3,832.56	2,516.95
Total expenses	21,421.67	12,295.46
Profit before share of profit of associate/joint venture and tax	5,318.50	4,324.96
Tax expense:		
(1) Current tax	2,226.24	1,523.02
(2) Deferred tax	(939.20)	(397.92)
Income Tax Expense	1,287.04	1,125.10
Net profit after tax	4,031.46	3,199.86
Transfer to Non Controlling Interest	-	-
Add: Share of Profit/(Loss) of associate	(20.99)	(54.67)
Add: Share of (Loss) of Joint venture	(36.45)	-
Net Profit after Taxes and share of Profit/(Loss) of associate/joint venture	3,974.02	3,145.19
Other comprehensive income		
a) Items that will not be reclassified to profit or loss		
(i) Re-measurement gains on gratuity	1.06	4.93
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income	0.23	227.72
Income tax relating to above	(0.32)	(58.56)
Subtotal (a)	0.97	174.09
b) Items that will be reclassified to profit or loss		
(i) Gain/(loss) on Fair Value changes	-	-
Income tax relating to above	-	-
Subtotal (b)	-	-
Total other comprehensive income (a+b)	0.97	174.09
Total comprehensive income	3,974.99	3,319.28
Profit for the year attibutable to		
- Owners of the Company	3,977.57	3,147.67
- Non Controlling Interest	(3.55)	(2.48)
Other comprehensive income for the year attibutable to		
- Owners of the Company	0.97	174.09
- Non Controlling Interest	-	-
Total comprehensive income for the year attibutable to		
- Owners of the Company	3,978.54	3,321.76
- Non Controlling Interest	(3.55)	(2.48)
Paid-up equity share capital (face value of Rs. 10 per equity share)	7,424.87	6,567.75
Other equity	60,660.68	35,607.90
Earnings per share (EPS)		
- Basic (amount in Rs.)	5.45	4.87
- Diluted (amount in Rs.)	5.39	4.80

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Statement of Audited Consolidated Cash Flows for the year ended March 31, 2024
(All Amount in Rs. in millions, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
A Cash flow from operating activities:		
Profit before tax	**5,318.50**	**4,324.96**
Adjustments for		
Depreciation and amortisation	117.44	108.91
Net gain on fair value changes	(487.85)	(199.06)
Impairment on financial instruments	10,523.23	4,801.60
Interest expense for leasing arrangements	23.73	26.33
Effective interest rate adjustment for financial instruments	(6,295.24)	(4,554.41)
Asset held for sale written off	-	69.17
Dividend income	-	(3.34)
Liabilites no longer required written back	(139.20)	-
Gratuity and compensation absences	39.08	27.77
Interest income deposits with bank	(57.23)	(38.65)
Share of loss of associate/joint venture	(57.44)	(54.67)
Employee stock option/share warrant expense	345.39	160.41
Operating profit before working capital changes	**9,330.41**	**4,669.02**
(Increase) in financial and other assets	(55,526.58)	(20,842.43)
Increase in financial and other liabilities	1,177.26	649.00
Decrease in non financial assets	(66.82)	(45.14)
Increase in non financial liabilities	176.97	151.15
Total of changes in working capital	**(54,239.17)**	**(20,087.42)**
Direct taxes paid (net of refunds)	(2,175.69)	(1,425.64)
Net cash flow generated from / (used in) operating activities (A)	**(47,084.45)**	**(16,844.05)**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(70.16)	(74.14)
Purchase of investment	(78,645.31)	(76,951.65)
Sale of investment	82,270.97	79,927.20
Investments		
Dividend income	-	3.34
Movement of fixed deposits (net)	(592.34)	(275.59)
Interest income deposits with bank	45.76	38.65
Net cash flow from / (used in) investing activities (B)	**3,008.92**	**2,667.81**
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	21,585.97	4.97
Receipt of upfront money on share warrant	-	0.22
Proceeds from borrowings		
Proceeds from borrowings (other than debt securities)	62,808.56	31,517.19
Repayment of borrowings (other than debt securities)	(27,369.22)	(16,686.20)
Proceeds from debt securities	11,888.82	1,500.00
Repayment of debt securities	(19,879.53)	(3,219.16)
Lease payments	(78.65)	(70.67)
Net cash flow generated from financing activities (C)	**48,955.95**	**13,046.35**
Net increase in cash and cash equivalents (A+B+C)	**4,880.42**	**(1,129.88)**
Cash and cash equivalents as at the beginning of the year	5,699.76	6,829.64
Cash and cash equivalents at the end of the year	**10,580.18**	**5,699.76**

Notes:

1) **Components of cash and cash equivalents**

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.09	0.10
Balance with banks		
In current accounts and overdraft accounts	10,080.09	5,699.66
deposits with original maturity of less than 3 months	500.00	-
Total cash and cash equivalents	**10,580.18**	**5,699.76**

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI Finance Private Limited

Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002
CIN - U64990DL2008PTC182749
Statement of Audited Consolidated financial results for the year ended March 31, 2024

[Regulation 52, read with Regulation 52 (4), of the SEBI (LODR) Regulations, 2015]

Notes to the audited consolidated financial results:

1. The above consolidated financial results have been reviewed by the Audit Committee of ("the Company" or "the Holding Company") at their meeting held on May 15, 2024 and approved by the Board of Directors of the Holding Company at their meeting held on May 16, 2024.These results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2. In compliance with Regulation 52 of the Securities Exchange Board of India("SEBI") (Listing Obligations and Disclosure Requirements) Regulations,2015, the consolidated annual financial results for the year have been audited by statutory auditors.

3. The consolidated financial results have been prepared in accordance with applicable Indian Accounting Standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015, and as specified under section 133 of the Companies Act 2013.

4. The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Company level. The operations of the Company fall under "financing activities" only, which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108 – Operating Segments. The Company operates in a single geographical segment, i.e., domestic.

5. During the year ended March 31, 2024, the Holding Company has issued 34,43,272 equity shares of Rs. 10 per share at applicable exercise price under ESOP plans and warrants. The amount received on these issues aggregates to Rs. 285.39 million. These shares were issued against exercise of options and warrants. Further during the year ended March 31,2024, the Holding Company has issued 8,22,68,594 equity shares at an issue price of Rs. 259.18 per share (including premium of Rs.249.18 per share) aggregating to Rs. 21,322.37 million.

6. Previous year figures have been regrouped/rearranged to make them comparable with the current year classification in accordance with amendments in Schedule III.

7. The above audited results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.dmifinance.in).

For and on behalf of the Board of Directors of
DMI Finance Private Limited

Shivashish Chatterjee
Joint Managing Director
DIN: 02623460
Date: May 16,2024
Place: NEW YORK

DMI FINANCE PVT. LTD. New Delhi

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS