



DMI FINANCE PRIVATE LIMITED

February 14, 2023

**BSE Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001**

Subject: Compliance pursuant to Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 54 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended from time to time) (“**Listing Regulations**”), we hereby, declare that the Secured Listed Non-Convertible Debentures (NCDs) issued by the Company are secured by way of first exclusive charge by hypothecation of book debts/loans to the extent stated in the Offer Document/Placement Memorandum for the quarter ended December 31, 2022.

Registered Office:
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F: +91 11 41204000
email: dmi@dmifinance.in
U65929DL2008PTC182749

The Security/Asset Cover Certificate certified by M/s S.N. Dhawan & Co (Firm Registration Number- 000050N/N500045), Statutory Auditors of the Company for the quarter ended December 31, 2022 is enclosed herewith as **Annexure-I** pursuant to Regulation 54 of Listing Regulations read with SEBI circular SEBI/HO/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022.

Further, pursuant to Regulation 54(2) of Listing Regulations, the extent and nature of security created and maintained with respect to secured listed NCDs is 1.38 times and the same is also disclosed in the unaudited financial results of the Company for quarter and year to date ended December 31, 2022.

You are requested to kindly take the same on records.

Thanking You,

Yours sincerely,

For DMI Finance Private Limited



**Sahib Pahwa
Head- Company Secretary & Compliance
A24789**

Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002

Enclosed: As above

S.N. Dhawan & CO LLP

Chartered Accountants

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

Tel: +91 124 481 4444

Independent Auditor's Report on Security Cover as at 31 December, 2022 under Regulation 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to BSE Limited ("the Stock Exchange), and Axis Trustee Services Limited (the "Debenture Trustee")

To,
The Board of Directors
DMI Finance Private Limited
Express Building, 3rd Floor,
9-10, Bahadur Shah Zafar Marg ,
New Delhi-110002

1. This Report is issued in accordance with the terms of our master engagement agreement dated 3 October, 2022 with DMI Finance Private Limited (the "Company").
2. We S.N. Dhawan & CO LLP, Chartered Accountants are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing Security Cover' for the listed non-convertible debt securities of the company as at 31 December, 2022 (the "Statement") which has been prepared by the Company on the basis of unaudited financial information and other relevant records and documents maintained by the Company as at 31 December, 2022 pursuant to the requirements of the Regulation 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "SEBI Regulations"), and has been initialled by us for identification purpose only.

This Report is required by the Company for the purpose of submission to the Stock Exchange ("the BSE Limited"), and the Debenture Trustee of the Company to ensure compliance with the SEBI Regulations and SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated 19 May, 2022 ("the circular") in respect of its listed non-convertible debt securities as at 31 December, 2022 ("Debentures").

Management's responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations read with SEBI circular, Companies Act, 2013 and other applicable laws and regulations, as applicable and for providing all relevant information to the SEBI.
5. The Management is also responsible to ensure that Security Cover Ratio as on 31 December, 2022 is in compliance with SEBI circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated 19 May, 2022 with the minimum security cover requirement of hundred percent as per the SEBI Regulations as given in **the statement** attached to this Report.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to provide a limited assurance as to whether the Company has maintained security cover ratio as per minimum requirements stated in SEBI Regulations and the terms of information memorandum and Debenture Trust deed.
7. We have audited the financial statements for the year ended on 31 March, 2022 and issued an unmodified audit opinion vide our report dated 20 May, 2022. We have also done limited review of financial results for the quarter and nine months ended 31 December, 2022 pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and issued Limited Review Report dated 14 February, 2023. Our audit of financial statements and review of financial results was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI and the standards on auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Report, which includes the concept of test checks and materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts, or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 6 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
 - (a) We have reviewed the unaudited financial results of the Company for the quarter and nine months ended 31 December, 2022. The financial information of the company is not audited by us.
 - (b) Obtained and read the Debenture Trust Deed and the Information Memorandum and noted the security cover percentage required to be maintained by the Company in respect of Debentures, as indicated in Statement.
 - (c) Traced and agreed the outstanding amount of the Debentures outstanding as at 31 December, 2022 to the unaudited financial information of the Company as at 31 December 2022 referred to in paragraph 11(a) above.
 - (d) Obtained and read the particulars of security cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deed and the Information Memorandum and compared it with the information furnished in the Statement.

- (e) Traced the value of assets indicated in the Statement to the unaudited financial information as at 31 December, 2022, referred to in paragraph 11(a) above, and other relevant records maintained by the Company.
- (f) Examined and verified the arithmetical accuracy of the computation of security cover indicated in the Statement.
- (g) Performed necessary inquiries with the Management and obtained necessary representations.
- 12 We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

Conclusion

- 13 Based on the procedures performed by us, as referred to in paragraph 11 above, and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the company has not maintained a minimum required security cover as per the terms of the Information Memorandum, Debenture Trust deed and as per the SEBI Regulations.

Restriction on Use

14. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the BSE Limited, and to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

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

Manish



Manish Surana
Partner
Membership No.: 503812
UDIN: 23503812BGYORL4523

Place: Gurugram
Date: 14 February 2023

STATEMENT OF SECURITY COVER FOR LISTED NON-CONVERTIBLE DEBT SECURITIES

All amount in INR millions

Column A Particulars	Column B	Column C Exclusive Charge	Column D Exclusive Charge	Column E Pari- Passu Charge	Column F Pari- Passu Charge	Column G Pari- Passu Charge	Column H Assets not offered as Security	Column I Elimination (amount in negative)	Column J (Total C to H)	Column K	Column L Related to only those items covered by this certificate	Column M Market Value for Pari passu charge Assets	Column N Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, OSRA market value is not applicable)	Column O Total Value =K+L+M+N
Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in column F)	Debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis (see note 'I' below)	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, OSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, OSRA market value is not applicable)	Relating to Column F		Total Value =K+L+M+N	
											Book Value	Book Value		Yes/ No
ASSETS														
Property, plant and equipment		-	-	No	-	-	145.98	-	145.98	-	-	-	-	-
Capital work-in-progress		-	-	No	-	-	4.73	-	4.73	-	-	-	-	-
Right of use assets		-	-	No	-	-	203.22	-	203.22	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-
Other intangible assets		-	-	No	-	-	24.34	-	24.34	-	-	-	-	-
Intangible assets under development		-	-	No	-	-	-	-	-	-	-	-	-	-
Investments		-	-	No	-	-	5,552.89	-	5,552.89	-	-	-	-	-
Loans	Book Debts receivables	2,820.39	26,645.49	No	-	-	33,674.04	-	63,139.92	-	2,820.39	-	-	2,820.39
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade receivables		-	-	No	-	-	0.56	-	0.56	-	-	-	-	-
Cash and cash equivalents		-	-	No	-	-	8,117.28	-	8,117.28	-	-	-	-	-
Bank Balances other than cash and cash equivalents	Lien marked fixed deposits	-	416.54	No	-	-	-	-	416.54	-	-	-	-	-
Others		-	-	No	-	-	2,650.81	-	2,650.81	-	-	-	-	-
Total		2,820.39	27,062.03				50,373.85		80,256.27		2,820.39			2,820.39
LIABILITIES														
Debt securities to which this certificate pertains	Listed secured NCD	2,048.20	-	Yes	-	-	2,048.20	-	2,048.20	-	2,048.20	-	-	2,048.20
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-	-	-	-	-	-
Other Debt		-	-	No	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	No	-	-	-	-	-	-	-	-	-	-
Borrowings		-	-	No	-	-	-	-	-	-	-	-	-	-
Bank (see note 'Y' below)	Term loans and cash credits	-	16,620.25	No	-	-	16,620.25	-	16,620.25	-	-	-	-	-
Debt Securities (see note 'Y' below)		-	-	No	-	-	14,853.00	-	14,853.00	-	-	-	-	-
Others	Securitisation - PTC Borrowing	-	3,267.65	No	-	-	3,267.65	-	3,267.65	-	-	-	-	-
Trade payables	Excluding other payables	-	-	No	-	-	1,661.53	-	1,661.53	-	-	-	-	-
Lease liabilities		-	-	No	-	-	248.23	-	248.23	-	-	-	-	-
Provisions		-	-	No	-	-	103.50	-	103.50	-	-	-	-	-
Others		-	-	No	-	-	867.81	-	867.81	-	-	-	-	-
Total		2,048.20	19,887.90				39,670.17		39,670.17		2,048.20			2,048.20
Cover on book value		1.38												
Cover on market value		1.38												

Exclusive Security Cover Ratio

Notes:

The borrowings from banks, debt securities, and other borrowings are grossed up with the processing fees for the disclosure in Annexure
Listed debt securities represent outstanding contractual amount + interest outstanding as on 31 December, 2022. The borrowings from banks, other borrowings and other debt securities represent outstanding contractual amount.
The Market Value for Assets charged on Exclusive basis is considered the same as the carrying value in the books accordingly not disclosed.
The above information is disclosed for the debentures issued upto December 31, 2022.

For DMI Finance Private Limited

Authorised Signatory
Name: Krishan Gopal
Designation: Chief Financial Officer
Place: New Delhi
Date: February 14, 2023

