DMI FINANCE PRIVATE LIMITED

DMI FINANCE PRIVATE LIMITED
Registered office: Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002
Phone: +91-11-49834444, Fax- +91-11-41204000
Website: www.dmifinance.in
CIN: U65929DL2008PTC182749

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
U65929DL2008PTC182749

NOTICE OF THE 15th ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting **("AGM")** of the members of DMI Finance Private Limited **("the Company")** will be held on Thursday, September 28, 2023 at Express Building, 3rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi 110002 at 1700 hours onwards to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Annual audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon; and**

2. **To approve re-appointment of Statutory Auditors of the Company:**

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors ("SAs") of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (including any statutory modification or re-enactment thereof for time being in force) dated April 27, 2021 issued by the Reserve Bank of India ("RBI Guidelines") and Articles of Association of the Company and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any Statutory/Regulatory Authorities, as may be applicable, and as per the recommendation received from the Board of Directors of the Company, M/s. S.N. Dhawan & Co LLP, Chartered Accountants (Firm Registration No.: 000050N/N500045) who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, be and is hereby re-appointed as Statutory Auditors of the Company for the financial year 2023-24 (3rd year out of the term of 3 years), subject to the fulfilment of the eligibility norms each year during its tenure at such remuneration plus taxes, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors. The auditors shall also provide the relevant certificates at a price agreed along with statutory audit fees as may be required under various statutory or regulatory requirements.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Mr. Shivashish Chatterjee, Mr. Yuvraja Chanakya Singh, Jt. Managing Directors and Mr.

Sahib Pahwa, Head-CS & Compliance of the Company are hereby severally authorized to take all actions and to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient to give effect including but not limited to intimating the Reserve Bank of India (RBI) or any other regulatory authority as applicable for such appointment and to do all acts, deeds and things in connection therewith and incidental thereto as they in their absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end.

SPECIAL BUSINESS:

3. To regularize the appointment of Mr. Masakazu Osawa as a Nominee Director of the Company:

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"RESOLVED THAT pursuant to the (a) Share Subscription Agreement dated March 31, 2023 executed by and amongst the Company, DMI Limited, MUFG Bank, Limited, Sumitomo Mitsui Trust Bank Limited, Shivashish Chatterjee and Yuvraja Chanakya Singh; (b) Shareholder Agreement dated March 31, 2023 executed by and amongst the Company, DMI Limited, DMI Income Fund Pte Limited, NIS Ganesha SA, Windy Investments Private Limited, MUFG Bank, Limited, Sumitomo Mitsui Trust Bank Limited, Shivashish Chatterjee and Yuvraja Chanakya Singh; (c) provisions of Section 161 (3) and Section 152 of the Companies Act, 2013, (as amended from time to time); (d) provisions of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as amended from time to time); and (e) any other provisions of the Companies Act, 2013 and the rules framed thereunder (as amended from time to time) (f) applicable provisions of the Articles of Association of the Company, approval of the Members is hereby accorded for the appointment of Mr. Masakazu Osawa, (DIN: 10138005) as a Nominee Director on the Board of the Company with immediate effect.

RESOLVED FURTHER THAT Mr. Masakazu Osawa shall perform duties as prescribed under Companies Act, 2013 and rules framed thereunder, and any additional duties as may be prescribed by the Board.

RESOLVED FURTHER THAT for giving effect to this resolution, the Members be and are hereby severally authorize Mr. Shivashish Chatterjee and Mr. Yuvraja Chanakya Singh Jt. Managing Directors and Mr. Sahib Pahwa, Head- CS & Compliance of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect to any as may be deemed appropriate, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT Mr. Shivashish Chatterjee, Mr. Yuvraja Chanakya Singh, Jt. Managing Director and Mr. Sahib Pahwa, Head CS & Compliance of the Company be and hereby severally authorized to file all necessary forms including intimations/reporting to the Registrar of Companies, Reserve Bank of India (RBI) and other regulatory authorities and to do all acts, deeds and things as may be required for giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT a certified copy of this Resolution may be provided to all concerns as and when required under the hand of any Director and/or Company Secretary of the Company."

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Date: August 14, 2023
Place: New Delhi

By the Order of the Board
For DMI Finance Private Limited

Sd/-

Sahib Pahwa
Head- Compliance and Company Secretary
A24789
Express Building, 3rd Floor,
9-10,
Bahadur Shah Zafar Marg, New Delhi- 110002

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EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3: TO REGULARIZE THE APPOINTMENT OF MR. MASAKAZU OSAWA AS NOMINEE DIRECTOR OF THE COMPANY

The Members are apprised that pursuant to the (a) Share Subscription Agreement dated March 31, 2023 executed by and amongst the Company, DMI Limited, MUFG Bank, Limited, Sumitomo Mitsui Trust Bank Limited, Shivashish Chatterjee and Yuvraja Chanakya Singh; and (b) Shareholder Agreement dated March 31, 2023 executed by and amongst the Company, DMI Limited, DMI Income Fund Pte Limited, NIS Ganesha SA, Windy Investments Private Limited, MUFG Bank, Limited, Sumitomo Mitsui Trust Bank Limited, Shivashish Chatterjee and Yuvraja Chanakya Singh, Mr. Masakazu Osawa, (DIN: 10138005) was appointed as an Additional Director in the category of Nominee Director in the Board Meeting held on May 22, 2023.

In furtherance, now there is a requirement to regularize his appointment as a Nominee Director on the Board of the Company as per the provisions of Section 161 of the Companies Act, 2013 and rules framed thereunder for which approval of the Members is hereby requested.

The Resolutions as set out in Item no. 03 of the Notice for obtaining approval of the shareholders to regularize the appointment of Mr. Masakazu Osawa as a Nominee Director will be placed before the meeting for approval of the members.

Your Directors recommend the approval of the proposed resolution by the Members as **Special Resolution** to regularize the appointment of Mr. Masakazu Osawa as Nominee Director.

None of the Directors of the Company are directly or indirectly concerned or interested, financially or otherwise in the aforestated resolution.

Date: August 14, 2023
Place: New Delhi

By the Order of the Board
For DMI Finance Private Limited

Sd/-

Sahib Pahwa
Head- Compliance and Company Secretary
A24789
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Notes:

1. *The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the AGM is annexed hereto.*

2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of member not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.*

3. *The instrument appointing the proxy should, however, be deposited at the registered office of the Company any time before the commencement of the Meeting. A Proxy Form is annexed to this Report.*

4. *Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.*

5. *The Register of Directors and Key Managerial Personnel and their shareholding-maintained u/s 184 of the Companies Act, 2013 will be available for inspection by the members electronically during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to sahib.pahwa@dmifinance.in*

6. *Members/ Proxies should fill in the attendance slip for attending the AGM. Attendance slip and the proxy form as prescribed under the Companies Act, 2013 is enclosed with the Notice.*

7. *In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.*

8. *The relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on working days except on holidays, upto the date of the AGM.*

9. *Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the Company electronically.*

10. *The Board of Directors of the Company ("the Board") has appointed M/s. VLA & Associates, Practicing Company Secretaries as the Scrutinizer ("Scrutinizer"), for conducting the voting process in a fair & transparent manner. The Members shall caste their vote on resolution as set out in notice only by sending an email to compliance@dmifinnace.in or vlocconsult-ant@gmail.com through their email addresses registered with the Company in* ***Form No. MGT-12****.*

11. *The Scrutinizer shall make a scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been approved or not, and such Report shall then be sent to the Chairperson or a person authorized by him, during the meeting after voting of result by poll is carried out, the Chairman shall then countersign and declare the result of the voting forthwith.*
12. *The members if need any assistance with using the technology before or during the meeting shall contact at +919910992470.*

13. *Landmark for location of meeting is ITO Office. Route map of the location is attached with the notice.*

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DMI FINANCE PRIVATE LIMITED

PROXY FORM

DMI FINANCE PRIVATE LIMITED
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MGT-11 – Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

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Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of …………shares of the DMI Finance Private Limited, hereby appoint

1. Name: ________________________________
   E-mail Id: ____
   Address:
   ____
   Signature: _____________________________________

Or failing him

2. Name: ________________________________
   E-mail Id: ____
   Address:
   ____
   Signature: _____________________________________

Or failing him

3. Name: ________________________________
   E-mail Id: ____
   Address:
   ____
   Signature: _____________________________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 15th Annual General Meeting of the Company to be held on Thursday, September 28, 2023 at Express Building, 3rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi 110002 at 1700 hours and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	**Against**
Ordinary Businesses:			
1.	To receive, consider and adopt the annual audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.		
2.	To approve re-appointment of Statutory Auditors of the Company		
Special Business:			
3.	To Regularize the appointment of Mr. Masakazu Osawa as a Nominee Director of the Company		

*Applicable for investors holding shares in electronic form.

Signed this…… day of……… 2023

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2. A Proxy need not be a member of the Company.

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single

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person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. *This is only optional. Please put an ‘X’ in the appropriate column against the resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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ATTENDANCE SLIP

DMI FINANCE PRIVATE LIMITED

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Please fill attendance slip and hand it over at the entrance of the meeting hall
Joint shareholders may obtain additional Slip at the venue of the meeting.

Name and address of the shareholder/Proxy:
____

Folio No.: _________________________________
ID & Client ID*: ____________________________________
No. of Shares held: ______________________________

I/We hereby record my/our presence at the 15th Annual General Meeting of the Company to be held on Thursday, September 28, 2023 at Express Building, 3rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi 110002 at 1700 hours.

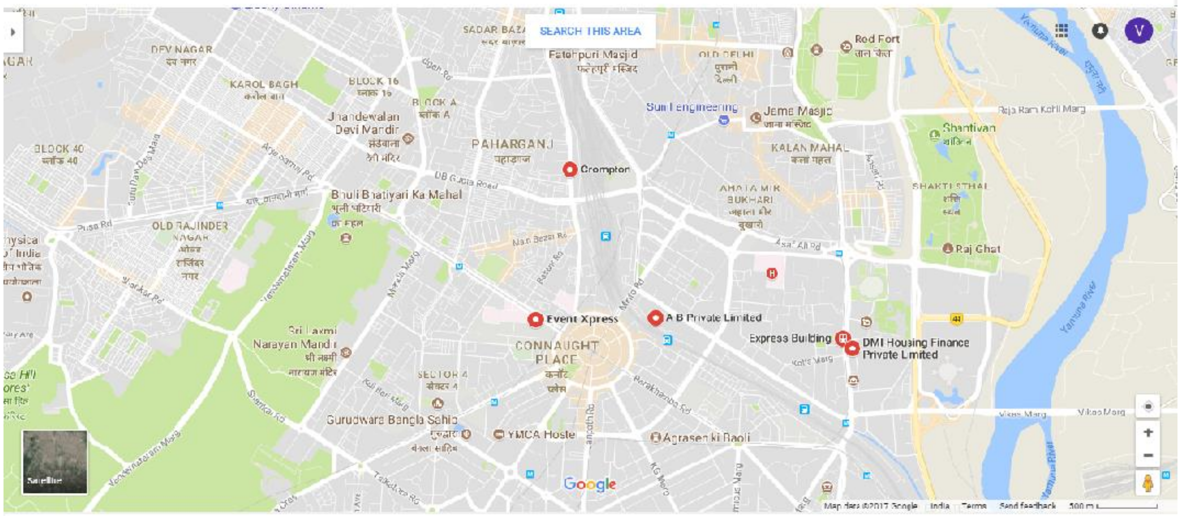
Signature of the Shareholder or Proxy**:

____

*Applicable for investors holding shares in electronic form.
**Strike out whichever is not applicable

DMI FINANCE PRIVATE LIMITED

Route Map of Venue of Meeting



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FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DMI Finance Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- **To the extent applicable to Debt Listed company;**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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info@vlaassociates.com / vlaassociate@gmail.com / vlocconsultant@gmail.com

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **To the extent applicable to Debt Listed Company;**

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable during the audit period under review;**

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **Not applicable during the audit period under review;**

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, *[erstwhile The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009]*- **Not applicable during the audit period under review;**

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not applicable during the audit period under review;**

f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021,;- **To the extent applicable to Debt Listed Company;**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- **To the extent applicable to Debt Listed Company;**

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **Not applicable during the audit period under review**; and

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable during the audit period under review.**

vi. Other laws as applicable specifically to the Company:

a. Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time.

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I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. There was change in the composition of the Board of Directors during the year under the review as follows:

1. Mr. Tammir Amr resigned from the directorship of the Company w.e.f 14th November, 2022.
2. Mr. Alfred Victor Mendoza was appointed as the nominee director of the Company w.e.f. 14th November, 2022.

Adequate notices, agenda and detailed notes on agenda were given to all directors to schedule the Board Meetings in compliance with the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The resolutions were passed at all the meetings by the requisite majority and there were no instances of the dissent which were required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further I report that during the audit period, the Company has taken the following major decisions:

1. **Memorandum of Association** of the Company were amended / substituted / inserted at Extraordinary General Meeting held on 15th November, 2022 by passing Special Resolution for the same.

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2. During the financial year under review, the company made **allotment** of the following securities:

S. No.	**Date of allotment**	**Type of issue**	**Type of security**	**No of security allotted**	**Face value (In Rs.)**	**Premium (In Rs.)**
1.	**21st October, 2022**	Private placement	Senior, Secured, Rated, Listed, transferable, taxable, redeemable, principal protected market linked non-convertible debentures	1,500	10,00,000	-
2.	**03rd November, 2022**	Preferential allotment	Convertible Share warrants	2,630	10	84.10
3.	**05th December, 2022**	ESOP	Equity Share	19,392	10	36.74
				5,808	10	85.49
				4,823	10	103.00
				7,528	10	106.36
4.	**14th February, 2023**	ESOP	Equity Share	1,489	10	33.90
				1,218	10	36.74
				32,749	10	3.29
				1,689	10	85.49

For VLA & Associates
(Company Secretaries)

Sd/-
Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622
UDIN: F007241E000660520

Place: New Delhi
Date: 22.07.2023

This report is to be read with our letter of even date which is annexed as “**Annexure-1”** and forms an integral part of this report.

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To, **Annexure-1**

The Members,
DMI Finance Private Limited
Express Building, 3rd Floor, 9-10,
Bahadur Shah Zafar Marg,
New Delhi – 110002

My report of even date is to be read along with this letter.

Management's Responsibility:-

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.

2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Auditor's Responsibility:-

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:-

The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622
UDIN: F007241E000660520

Place: New Delhi
Date: 22.07.2023

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DIRECTOR'S REPORT

Dear Members,

DMI Finance Private Limited

The Board of Directors **("Board")** of DMI Finance Private Limited **("DMI/Company")** are pleased to present their 15th Director's Report along with the Audited Financial Statements for the financial year ended March 31, 2023. This Report read with the Management Discussion and Analysis included details of the macroeconomic scenario, Company's performance and various initiatives taken by the Company.

FINANCIAL RESULTS

The standalone and consolidated financial highlights of your Company are as follows:

Consolidated Financials

(₹ in Million)

Particulars	**Consolidated**	
	March 31, 2023	**March 31, 2022**
Revenue from Operations	16,434.52	9,036.06
Other Income	185.90	163.05
Total Income	**16,620.42**	**9,199.11**
Total Expenditure	12,295.46	8,393.90
Profit/(Loss) before Taxation	**4,324.96**	**805.21**
Tax Expenses/(Credits)	1,125.10	218.61
Profit/(Loss) for the year	**3,199.86**	**586.60**
Share of Profit of Associate	(54.67)	(3.57)
Net profit after taxes and Share in profit of Associate	**3,145.19**	**583.03**
Capital Redemption Reserve	81.21	81.21
Reserve Fund u/s Sec 45 IC of RBI Act, 1934	1,741.05	1,093.02
Balance in Profit/(Loss) Account in balance sheet (Retained Earnings)	8,533.33	5,705.51

Standalone Financials

(₹ in Million)

Particulars	**Standalone**	
	March 31, 2023	**March 31, 2022**
Revenue from Operations	16,368.82	8,961.76
Other Income	196.24	144.51
Total Income	**16,565.06**	**9,106.27**
Total Expenditure	12,186.48	8,324.74
Profit/(Loss) before Taxation	4,378.58	781.53
Tax Expenses/(Credits)	1,138.42	203.73
Profit/(Loss) after Taxation	**3,240.16**	**577.80**
Capital Redemption Reserve	81.21	81.21
Reserve Fund u/s Sec 45 IC of RBI Act, 1934	1,741.05	1,093.02
Balance in Profit/(Loss) Account in balance sheet (Retained Earnings)	6,742.67	4,150.54

FINANCIAL PERFORMANCE OF THE COMPANY

The Company during the financial year 2022-2023 has shown tremendous growth and progression and continuous to further upscale its business operations, creativity and its vision. Some of the important financial parameters of the Company are mentioned below for your reference:

(₹ in Million)

Particulars	**March 2023**	**March 2022**
Total Revenue	16,565.06	9,106.27
Total Expenses	12,186.48	8,324.74
PAT	3,240.16	577.80
CRAR	50.87%	61.31%
GNPA	2,706.39	1,196.20
NNPA	1,101.28	1,660.00
Net Owned Funds	38,997.43	35,717.75

DIVIDEND

In order to conserve the cash resources for future growth and expansion plans of the Company, the Board does not recommend any interim/final dividend for the financial year ended March 31, 2023.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The details of the transfer to other reserves as part of regulatory requirements are given below:

Regulatory Reserve u/s 45 (1C) of RBI Act

In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company is required to transfer an amount equivalent to 20% of profit after tax, to its Statutory Reserve. During the current year, ₹ 648.03 Million were transferred to the statutory reserve.

The break-up of the amounts/profits proposed to be carried to reserves for FY 2022-23, is set out herein below:

(₹ in Million)

Particulars	**FY 2022-23**	**FY 2021-22**
Reserve Fund u/s Sec 45 IC of RBI Act, 1934	648.03	115.56

STATE OF COMPANY AFFAIRS

Share Capital

During FY 2022-23, the issued, subscribed and paid-up share capital of the Company underwent following changes:

Changes in Paid-Up Share Capital

Allotment of equity to Employees on exercise of ESOP:

The ESOP liquidation event took place during the year and the employees of the company who had received ESOP during their employment in the company were given an opportunity to liquidate their ESOPs.

In accordance with the provisions of DMI Employee Stock Option Plan, 2018 and amended ESOP Plan 2018, the Company allotted 37,551 equity shares for an aggregate consideration of ₹ 2.88 Million to specified employees of the Company on exercise of their stock options in December 2022 and further 37,190 equity shares were allotted for an aggregate consideration of ₹ 0.71 Million to specified employee in February 2023.

Issue of Convertible Share Warrants:

The Company during the financial year under review, issued and allotted 2,630 convertible share warrants on November 03, 2022 to eligible employees of the Group Company in accordance with the terms of Warrant Subscription Agreement executed between the Company and the Warrant Holders.

BORROWING PROFILE

The Company maintained an optimum mix of borrowings between bank term loans and capital markets. During the Financial year 2022-23, the Company raised debt by means of borrowing from various banks.

During the year under review, the Company had raised ₹21,350 Million by availing the fresh term loan facilities and demand-loans /cash credit facilities from various banks and financial institutions and the details of these are provided below:

S. No.	Type of Security	Secured/Un secured	Security, if any	Amount (₹ in Million)
1	Term Loans	Secured	Hypothecation of Book Debt of the Company	18,800
2	Cash Credit / WCDL/OD	Secured	Hypothecation of Book Debt of the Company	2,550
	Total			**21,350**

The Company has been able to maintain strong relationships and raise funds through public sector banks like State Bank of India, Bank of Maharashtra, Punjab National Bank, Indian Bank. The Company is actively trying to establish new relationships with large public and private sector banks and diversify its borrowing profile. Therefore, as on March 31, 2023, total outstanding bank borrowing of the Company stands at ₹ 20,985.70 Million.

Further, the Company issued Market-Linked Debentures (MLDs) and repaid Non- Convertible Debentures (NCDs) which matured during the year, hence the total outstanding by way of debt securities of the Company as on March 31, 2023, stands at ₹ 16,837.91 Million.

S. No	MLD	Payment Date	Sanctioned Amount (₹ in millions)
1	INE604O07167	21-10-2022	1500.00

During the year, the Company also ventured out in the Securitization market to issue Pass- Through-Certificates and raised ₹ 10,146.42 Million, details of which are given below:

S. No.	Securitization	Bank	Amount raised (₹ in millions)
1	MOST I	Credit Suisse	6,650.39
2	PLUM II	Kotak Mahindra Bank Limited	772.71
3	PLUM I	DCB Bank Limited	1,028.74
4	PLUM III	DCB Bank Limited	1,694.58
	Total		**10,146.42**

The amount outstanding as on March 31, 2023, in respect of the above stands at ₹ 2,902.81 Million.

To summarize, the borrowing mix of the Company consisting of term loans, working capital, cash credit limits, debentures and securitization stands as follows as on March 31, 2023:

S. No.	Type of Security	Amount outstanding (₹ in Million)	% of total borrowings outstanding as on March 31, 2023
1	Term Loans	20,489.36	50.31%
2	Cash Credit / WCDL/OD	496.34	1.22%
3	Non-Convertible Debentures	16,837.91	41.34%
4	Securitization	2,902.81	7.13%
	Total	**40,726.42**	**100.00 %**

CREDIT RATING

The Company's credit rating by various credit rating agencies as on March 31, 2023 are given below:

Type of Borrowing	Rating Agency	Amount (₹ in Million)	Rating
Long Term Bank Facility	ICRA Limited	39,620.00	ICRA AA- (Stable)
Non- Convertible Debentures	ICRA Limited	1,000.00	ICRA AA- (Stable)
Commercial Paper	ICRA Limited	3,000.00	ICRA A1+ (Stable)
Market Linked Debentures	ICRA Limited	2,000.00	ICRA AA- (Stable)
Long Term Bank Facility	Care Edge Ratings	2,850.00	CARE AA-; Stable
Non- Convertible Debentures	Care Edge Ratings	500.00	CARE AA-; Stable
Non- Convertible Debentures	Brickwork Ratings India Private Limited	500.00	BWR AA-(Stable)

EMPLOYEE STOCK OPTION

Human Resources are key to the growth and success of an organization, more so in financial services industry. It is therefore imperative to align the interests of the employees and shareholders of the Company. Employee Stock Option schemes have been universally accepted as retention and wealth creation tool.

During the financial year under review, 74, 741 stock options were exercised by employees of the Company at the exercise price prescribed under various applicable ESOP schemes of the Company and in accordance with the provisions of the DMI ESOP Plan 2018 as amended from time to time, subsequent to which equity shares of face value of Rs. 10 each were allotted to such employees of the Company.

The disclosures required as per Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 with respect to ESOP issued by the Company during the year under review are given below:

(a) Options granted: **2,31,48,606**
(b) Options vested: **66,21,962**
(c) Options exercised: **74, 741**
(d) Total number of shares arising as a result of exercise of option: **74, 741**
(e) Options lapsed: **16,70,747**
(f) Exercise price: **As per various ESOP Schemes of the Company**
(g) Variation of terms of options: **NIL**

(h) Money realized by exercise of options: **₹**
(i) Total number of options in force: **1,91,23,461**
(j) Employee wise details of options granted during the year:
  (i) Key managerial personnel:
    - Company Secretary- **83,194**
    - Chief Financial Officer- **1,54,709**
  (ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year: **NIL**
  (iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grants: **NIL**

DIRECTORS' AND KEY MANAGERIAL PERSONNEL

Board Composition

The composition of the Board follows the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws inter alia with respect to appointment of women director and non-executive director(s).

The Board met 8 (Eight) times during the financial year 2022-23 viz. May 20, 2022, August 12, 2022, September 28, 2022, October 17, 2022, November 14, 2022, January 11, 2022, February 14, 2023 and March 27, 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Further, in accordance with Standard 9 of the Secretarial Standards-1 on "Meetings of the Board of Directors", the details on the number of meetings attended by each Director during financial year 2022-23 is given below:

Name of the Directors	Category	Number of meetings held during the financial year 2022-23		
		Held	Entitled	Attended
Mr. Tammir Amr	Nominee Director	8	5	4
Mr. Gaurav Burman	Nominee Director	8	8	5
Mrs. Jayati Chatterjee	Non- Executive Director	8	8	8
Mr. Shivashish Chatterjee	Joint Managing Director	8	8	7
Mr. Gurcharan Das	Non- Executive Director	8	8	7
Mr. Nipendar Kochhar	Non- Executive Director	8	8	7
Mr. Alfred Victor Mendoza	Nominee Director	8	3	3
Mrs. Bina Singh	Non- Executive Director	8	8	7
Mr. Yuvraja Chanakya Singh	Joint Managing Director	8	8	8

During the year under review, Mr. Tammir Amr resigned from the office of Nominee Director with effect from November 14, 2022 and subsequently Mr. Alfred Victor Mendoza was appointed as a Nominee Director on the Board and Member of the Committees of the Board with effect from November 14, 2022.

Further, in accordance with Standard 9 of the Secretarial Standards-1 on "Meetings of the Board of Directors", the details on the number of meetings attended by each Director during financial year 2022-23 is given below:

S. No.	Name of Director	Director Since	Capacity (Executive/Non-Executive/ Chairman/ Promoter Nominee /Independent	DIN	No of Board Meetings			No of other Directorships	Remuneration			No. of Shares held in and Convertible instruments held in the NBFC
					Held	Entitled	Attended		Salary and other Comp	Sitting Fees	Comission	
1.	Mr. Tamir Amr	05/03/2015	Nominee Director	07030832	8	5	4		NA	NA	NA	NA
2.	Mr. Gaurav Burman	29/01/2013	Nominee Director	01870814	8	8	5	14	NA	NA	NA	NA
3.	Mrs. Jayati Chatterjee	02/09/2008	Non-Executive Director	01401127	8	8	8	2	NA	2,40,000	NA	NA
4.	Mr. Shivashish Chatterjee	30/12/2010	Jt. Managing Director	02623460	8	8	7	7	4,29,21,722	NA	NA	10,53,340
5.	Mr. Gurcharan Das	25/08/2011	Non-Executive Director/ Chairman	00100011	8	8	7	3	NA	1,40,000	NA	NA
6.	Mr. Nipender Kochhar	11/09/2008	Non-Executive Director	02201954	8	8	7	3	NA	2,40,000	NA	NA
7.	Mr. Alfred Victor Mendoza	14/11/2022	Nominee Director	08432874	8	3	3	3	NA	NA	NA	NA
8.	Mrs. Bina Singh	02/09/2008	Non-Executive Director	01178506	8	8	7	3	NA	1,40,000	NA	2,44,918
9	Mr. Yuvraja Chanakya Singh	26/08/2009	Jt. Managing Director	02601179	8	8	8	6	4,17,55,551	NA	NA	13,11,221

**During the year under review, Mr. Tammir Amr resigned from the office of Nominee Director with effect from November 14, 2022 and subsequently Mr. Alfred Victor Mendoza was appointed as a Nominee Director on the Board of the Company and Member of the Committees of the Board with effect from November 14, 2022 for which Reserve Bank of India (RBI) and SEBI was duly intimated.*

S. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Tamir Amr	Nominee Director	Resignation	November 14, 2022
2.	Mr. Alfred Victor Mendoza	Nominee Director	Appointment	November 14, 2022

Details of any relationship amongst the Directors

S. No.	Name of Director	Name of Relative	Nature of relation
1.	Mrs. Jayati Chatterjee	Mr. Shivashish Chatterjee	Son
2.	Mr. Shivashish Chatterjee	Mrs. Jayati Chatterjee	Mother
3.	Mrs. Bina Singh	Mr. Yuvaraja Chanakya Singh	Son
4.	Mr. Yuvaraja Chanakya Singh	Mrs. Bina Singh	Mother

Committees of the Board and their Composition

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. There Committees constituted by the Board are namely Audit Committee, Loan/Investment and Borrowing Committee, Risk Management Committee, Nomination Committee, Asset

Liability Committee, Securities Allotment Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Review Committee, Identification Committee and IT Steering Committee.

The composition of these Committees as on March 31, 2023 is provided below. Further, in accordance with Standard 9 of the Secretarial Standard-1 on “Meetings of the Board of Directors”, the details on the number and dates of meetings of the Committees held during the financial year 2022-23 indicating number of meetings attended by each Director is given below.

- **Audit Committee (AC)**
  - to recommend appointment, remuneration and terms of appointment of auditors of the Company and review and monitor the auditor’s independence and performance, and effectiveness of audit process; examination of the financial statement and the auditors’ report.
  - 5 (Five) Audit Committee Meetings were held during the financial year 2022-23 viz. on May 20, 2022, August 10, 2022, November 11, 2022, February 13, 2023 and March 27, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	Entitled	Attended	
1.	Mr. Tammir Amr	05/03/2015	Director / Member	5	3	2	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	5	5	2	NA
3.	Mrs. Jayati Chatterjee	02/09/2008	Director / Member	5	5	4	NA
4.	Mr. Nipendar Kochhar	11/09/2008	Director / Member	5	5	5	NA
5.	Mr. Alfred Victor Mendoza	14/11/2022	Director / Member	5	2	2	NA
6.	Mr. Yuvraja Chanakya Singh	26/08/2008	Director / Member	5	5	5	13,11,221

- **Risk Management Committee (RMC)**
  - Adhere to the Risk Management Practices as prescribed and monitor the progress of the Risk Control Matrix as approved by the Board.
  - 4 (Four) Risk Management Committee Meetings were held during the financial year 2022-23 viz. on June 01, 2022, August 10, 2022, November 11, 2022 and February 14, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	Entitled	Attended	
1.	Mr. Jatinder Bhasin	20/05/2022	Member	4	4	4	NA

2.	Mr. Shivashish Chatterjee	30/12/2010	Director / Member	4	4	4	10,53,340
3.	Mr. Yuvraja Chanakya Singh	26/08/2008	Director / Member	4	4	4	13,11,221
4.	Mr. Arindam Das	11/09/2019	Member	4	4	4	NA
5.	Mr. Vivek Gupta	11/09/2019	Member	4	4	4	NA
6.	Mr. Krishan Gopal	12/11/2021	Member	4	4	4	NA

- **Nomination and Remuneration Committee**

  - To ensure that the general character of the management shall not be prejudicial to the interest of its present and future stakeholders and envisages ensuring the 'fit and proper' status of proposed or existing Directors.

  - 4 (Four) Nomination and Remuneration Committee Meeting were held during the financial year 2022-23 viz. on May 20, 2022, 12 August, 2022, November 14, 2022 and March 27, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Tammir Amr	05/03/2015	Director / Member	4	3	3	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	4	4	4	NA
3.	Mr. Shivashish Chatterjee	30/12/2010	Director / Member	4	4	4	10,53,340
4.	Mr. Alfred Victor Mendoza	14/11/2022	Director/Member	4	2	2	NA
5.	Mr. Yuvraja Chanakya Singh	26/08/2008	Director / Member	4	4	4	13,11,221

- **Asset Liability Committee (ALCO)**

  - Attend to aspects relating to Asset Liability Management such as availability of adequate funding for projected disbursements.

  - 2 (Two) Asset Liability Committee Meetings were held during the financial year 2022-23 viz. on August12, 2022 and February 14, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Tammir Amr	05/03/2015	Director / Member	2	2	2	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	2	2	2	NA
3.	Mr. Shivashish Chatterjee	30/12/2010	Director / Member	2	2	2	10,53,340
4.	Mr. Alfred Victor Mendoza	14/11/2022	Director / Member	2	1	1	NA
5.	Mr. Yuvraja Chanakya Singh	26/08/2008	Director / Member	2	2	2	13,11,221
6.	Mr. Krishan Gopal	12/11/2021	Member	2	2	2	NA
7.	Mr. Manish Srivastava	12/11/2021	Member	2	2	2	NA

8.	Mr. Prateek Kapoor	12/11/2021	Member	2	2	2	NA

- **Securities Allotment Committee (SAC)**

  - Consider and transact the matter of raising of funds up to the limit specified by the Board on private placement basis and allot Equity Shares, Preference Shares, Compulsorily Convertible Debentures, Secured Redeemable Non-Convertible Debentures, Commercial Paper or any other security as defined under Companies Act, 2013.

  - 1 (One) Securities Allotment Committee Meeting was held during the financial year 2022-23 viz. on February 14, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Jatinder Bhasin	14/11/2022	Director / Member	1	1	1	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	1	1	1	NA
3.	Mr. Shivashish Chatterjee	30/12/2010	Member	1	1	1	10,53,340
4.	Mr. Alfred Victor Mendoza	14/11/2022	Director / Member	1	1	1	NA
5.	Mr. Krishan Gopal	12/11/2021	Member	1	1	1	NA
6.	Mr. Yuvraja Chanakya Singh	26/08/2008	Director / Member	1	1	1	13,11,221

- **Corporate Social Responsibility Committee (CSR)**

  - Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company including the activities as specified in Schedule VII of Companies Act, 2013.

  - 2 (Two) Corporate Social Responsibility Committee Meetings were held during the financial year 2022-23 viz. on May 20, 2022 and February 06, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Tammir Amr	05/03/2015	Director / Member	2	1	1	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	2	2	2	NA
3.	Mrs. Jayati Chatterjee	02/09/2008	Director / Member	2	2	2	NA
4.	Mr. Alfred Victor Mendoza	14/11/2022	Director / Member	2	1	1	NA
5.	Mrs. Bina Singh	02/09/2008	Director / Member	2	2	2	2,44,918

- **IT Strategy Committee**

  - Approving IT strategy and policy documents and ascertaining that management has implemented processes and practices.

  - 3 (Three) IT Strategy Committee Meetings were held during the financial year 2022-23 viz. on May 19, 2022, September 28, 2022 and February 14, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Tammir Amr	05/03/2015	Director/ Member	3	2	2	NA
2.	Mr. Shivashish Chatterjee	30/12/2010	Director/ Member	3	3	3	10,53,340
3.	Mr. Alfred Victor Mendoza	14/11/2022	Director/ Member	3	1	1	NA
4.	Mr. Krishan Gopal	12/11/2021	Member	3	3	3	NA
5.	Mr. Saurabh Nigam	18/09/2017	Member	3	3	3	NA
6	Mr. Manish Srivastava	18/09/2017	Member	3	3	3	NA
7	Mr. Yuvraja Chanakya Singh	26/08/2008	Director/Member	3	3	3	13,11,221
8	Mr. Manikant R. Singh	21/06/2021	Member	3	3	3	NA

- **IT Steering Committee**

  - The Committee shall provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

  - 2 (Two) IT Steering Committee Meetings were held during the financial year 2022-23 viz. on September 28, 2022 and February 14, 2023. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Shivashish Chatterjee	08/10/2021	Director / Member	2	2	2	10,53,340
2.	Mr. Arindam Das	08/10/2021	Member	2	2	2	NA
3.	Mr. Krishan Gopal	08/10/2021	Member	2	2	2	NA
4.	Mr. Vivek Gupta	08/10/2021	Member	2	2	2	NA
5.	Mr. Saurabh Nigam	08/10/2021	Member	2	2	2	NA
6.	Mr. Yuvraja Chanakya Singh	08/10/2021	Director/Member	2	2	2	13,11,221

- **Review Committee**
  - To review and approve the Order given by Identification Committee with respect to declaring a borrower as a Wilful Defaulter.

  - 1 (One) Review Committee Meeting was held during the financial year 2022-23 viz. on August 12, 2022. The attendance of the members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Tammir Amr	05/03/2015	Director / Member	1	1	1	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	1	1	1	NA

3.	Mr. Shivashish Chatterjee	30/12/2010	Chairman/ Member	1	1	1	10,53,340

- **Loan Investment & Borrowing Committee**

  - To approve all borrowings including loans from banks and financial institutions, commercial papers, any other security on such terms and conditions as the management may deem fit within the limits as approved by the Board and Shareholders

  - 14 (Fourteen) Loan Investment & Borrowing Committee meeting were held during Financial Year 2022-2023 viz on May 28, 2022, June 28, 2023 , June 30, 2022, July 05, 2022, November 03, 2022, November 22, 2023, December 24, 2022, December 29, 2022, January 13, 2023, January 24, 2023, February 23, 2023, March 20, 2023, March 27, 2023 and March 29, 2023 . The attendance of the Members is as follows:

S.no	Name of director / Member	Member of Committee since	Capacity	Number of Meetings of the Committee held during the financial year 2022-2023			No. of shares held in the NBFC
				Held	**Entitled**	**Attended**	
1.	Mr. Tammir Amr	05/03/2015	Director / Member	14	5	5	NA
2.	Mr. Gaurav Burman	29/01/2013	Director / Member	14	14	14	NA
3.	Mr. Jatinder Bhasin	12/08/2022	Member	14	14	14	NA
4.	Mr. Shivashish Chatterjee	30/12/2010	Director / Member	14	14	14	10,53,340
5.	Mr. Krishan Gopal	12/11/2021	Member	14	13	13	NA
6.	Mr. Alfred Victor Mendoza	14/11/2022	Director / Member	14	9	9	NA
7.	Mr. Prateek Kapoor	12/08/2022	Member	14	13	13	NA
8.	Mr. Yuvraja Chanakya Singh	26/08/2008	Chairman/ Member	14	14	14	13,11,221

GENERAL MEETINGS

Annual General Meeting

During the year under review, the Annual General Meeting of the Company for the Financial Year ended March 31, 2022 was held on September 02, 2022.

Extra-ordinary General Meeting(s)

During the year under review, four (4) Extra-ordinary General Meeting(s) (EGM) of the Company were held. The Members accorded their approval in the requisite manner for the matters taken in the respective EGMs.

S. No.	Type of Meeting (Annual / Extra-Ordinary)	Date & Place	Special resolutions passed
1.	Annual General Meeting	**Date of the meeting**-September 02, 2023 **Place of the meeting**-Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	Issuance of Convertible Share Warrants on Preferential Allotment Basis to Identified Employees of Associate Company
2.	Extra- Ordinary Meeting	**Date of the meeting**-May 30, 2022 **Place of the meeting**-Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	To Approve the Reduction of Issued, Subscribed and Paid-Up Share Capital of the Company

3.	Extra- Ordinary Meeting	**Date of the meeting-**November 15, 2022 **Place of the meeting**-Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	To consider and Approve increase in Authorized share capital of the Company. ➢ To consider and Approve Amendment in ESOP Policy
4.	Extra- Ordinary Meeting	**Date of the meeting-**March 09, 2023 **Place of the meeting**-Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	1. To Increase the Borrowing Limit to Rs. 15,000 Crores for The Financial Year 2023-24 2. To approve Amendment in ESOP Plan 2018 (ESOP Policy)
5.	Extra- Ordinary Meeting	**Date of the meeting-**March 27, 2023 **Place of the meeting**-Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	To Issue Equity Shares on Private Placement Basis

Details of non-compliance with requirements of Companies Act, 2013

There was no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards**.**

Details of Penalties and Strictures

The following penalties were imposed on the Company during financial year 2022-23, for which adequate disclosure have been made in the audited annual financial statements as at March 31, 2023:

1) The Stock Exchange (BSE Limited) imposed a penalty of Rs. 12,980 under Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2021.

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 penalty of Rs. 5,64,040 under Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2021.

Breach of Covenant

During the financial year under review, there were no instances where breach of covenants were observed for any loan availed or debt securities issued.

Divergence in Asset Classification and Provisioning

There were no instances of divergence in asset classification and provisioning as assessed by RBI during the year ended March 31, 2022 and March 31, 2023.

Director(s) Disclosure:

As per the provisions of section 164(2) of the Companies Act, 2013 and based on the declarations and confirmations received, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

Key Managerial Personnel

There was no change in the composition of Key Managerial Personnel of the Company during the year under review.

As on March 31, 2023, Key Managerial Personnel of the Company comprises of the following:
1. Mr. Shivashish Chatterjee- Jt. Managing Directors
2. Mr. Yuvraja Chanakya Singh- Jt. Managing Directors
3. Mr. Krishan Gopal- Chief Financial Officer
4. Mr. Sahib Pahwa- Head- Company Secretary & Compliance

Human Resource

The Company is a people-centric organization with a strong belief in empowering its employees and creating a culture of equality, transparency, and respect. The Company provides a nurturing and conducive environment that helps attract amongst the best talent in the market and provides them with a platform that they can use to shape their careers. With a strong focus on growth, the Company strives to build a strong pipeline of leaders by offering unlimited growth opportunities, for those who chase excellence.

DMI is a place that provides an entrepreneurial culture and focuses on working together for a shared purpose. We deeply value our stakeholders and work dedicatedly towards creating a difference in their lives. Over the years, we have worked together though the most turbulent times and have come out stronger. During these journeys, we have imbibed lessons from these challenges and utilized those learnings to set ourselves on the path of winning. More importantly, we have learned to accept defeats and celebrate wins.

Considering the same the Company has successfully inducted significant talent at senior and mid-level into the Company and has been successful in retaining and developing the existing human resources. Accordingly, there was a significant increase in the total number of employees as on March 31, 2023:

Financial Year	**Number of employees**
2022-23	396
2021-22	332

<u>SUBSIDIARIES/ASSOCIATES COMPANIES</u>

During the year under review, below mentioned is the list of subsidiaries and associate of the Company-

S. No.	**Name of Subsidiary Company**	**Nature of Relationship**
1.	DMI Capital Private Limited	Subsidiary Company
2.	DMI Management Private Limited	Subsidiary Company
3.	Appnit Technologies Private Limited	Subsidiary Company
4.	DMI Alternatives Private Limited	Associate Company

Pursuant to Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company which shall be laid before the ensuing Annual General Meeting of the Company along with the standalone audited financial statements of the Company for the financial year ended March 31, 2023. The standalone and consolidated audited financial statements along with the salient features of the financial statements of the subsidiaries of the Company in the prescribed Form AOC-1 forms part of the Annual Report and are also available on the website of the Company at https://www.dmifinance.in/investor-financials.html

The statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, in Form AOC- 1, forms part of the consolidated financial statements of the Company and hence not repeated here for the sake of brevity.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General meetings. The Company has complied with all the applicable provisions of the secretarial standards read with the MCA Circulars granting various exemptions and relaxations.

ANNUAL RETURN

The copy of Annual Return for Financial Year 2022-23, which will be filed with the Registrar of Company, will be hosted on the website of the Company and can be accessed at https://www.dmifinance.in/investor-financials.html in accordance with provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013 and rules framed therein.

CORPORATE GOVERNANCE AND REGULATORY CHANGES

Deposits

The Company in compliance with RBI being a Systemically Important Non-Deposit Accepting NBFC (ND-SI- NBFC) has not accepted any public deposits during the year under review. The Board of Directors, in compliance with Non–Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 had passed the resolution on April 07, 2023 confirming that the Company would neither hold nor accept any 'Public deposits' as defined under RBI Regulations during the period commencing from April 01, 2023 to March 31, 2024.

Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("LODR Regulations") Amendments:

The Securities Exchange Board of India (SEBI) vide its multiple notifications introduced amendments and changes in the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("LODR Regulations") during the financial year 2022-23, some of which are briefly laid down below:

S. No.	Notification Number and Date	Particulars of amendment
1	Notification No. No. SEBI/LADNRO/GN/2022/103 dated November 14, 2022	• Clarification regarding the timeline of financial results for the last quarter of the FY to be submitted to the recognized stock exchange and also to the Debenture Trustee. • List of financial ratios to be disclosed in quarter and annual financial statements.

		• Submission of declaration along with quarterly financial results to the stock exchange regarding utilization of issue proceeds of Non-convertible securities • Submission of statement along with quarterly financial results to the stock exchange regarding material deviation(s), if any, in the use of issue proceeds of non-convertible securities. • Publication of financial results within 2 working days of board meeting. • Maintenance of 100% security cover in respect of secured listed non-convertible debt securities.

REGULATORY CHANGES BY RESERVE BANK OF INDIA (RBI)

1) ***Guidelines on 'Loans and Advances – Regulatory Restrictions - NBFCs***

RBI vide its circular No. RBI/2022-23/29DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022 introduced guidelines pertaining to grant of loans and advances to its Directors and relatives or parties in which Directors or his/her relatives is interested thereof as defined in the said Circular. Any loan granted to Director and his/her relatives or parties in which Directors or his/her relatives is interested aggregating to Rs. five crores and above shall be reported and approved by the Board of Directors. The proposal for sanction of less than aforementioned limit may be sanctioned but the matter should be reported to the Board.

Any Loans and advances sanctioned to senior officers of the Company shall be reported to the Board. Further, provisions have also been included for disclosure in the annual financial statements of the Company regarding sanction of such loans and advances. Additionally, Company is required to incorporate Board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding.

2) ***Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs***

The Reserve Bank of India vide its circular DOR.GOV.REC.No.29/18.10.002/2022-23 dated April 29, 2022, issued separate guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs wherein NBFCs are required to put in place a Board approved compensation policy which shall at least include provisions pertaining to constitution of a Remuneration Committee, Principles for fixed/ variable pay structures, Malus/ claw back requirements. The Nomination and Remuneration Committee of the NBFC shall ensure that there is no conflict of interest in the appointment of directors on Board of the company, KMPs and senior management.

3) ***Guidelines on Compliance Function and Role of Chief Compliance Officer (CCO)***

As part of the Scale Based Regulation (SBR) Framework introduced by the Reserve Bank of India, the RBI vide its circular Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022 introduced provisions relating to appointment of a Chief Compliance Officer (CCO) and have an independent Compliance Function for all NBFC-UL and NBFC-ML. NBFC-UL and NBFC-ML shall put in place a Board approved policy and a Compliance Function, including the appointment of a CCO latest by April 1, 2023 and October 1, 2023, respectively.

We are currently under process of framing the CCO Policy and shall be approved at the upcoming Board Meeting of the Company in compliance with the said circular.

4) ***Guidelines on Internal Capital Adequacy Assessment Process (ICAAP)***

In accordance with SBR framework, the NBFC-ML and NBFC-UP are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. For this purpose, the policy on Internal Capital Adequacy Assessment Process (ICAAP) is required to be formulated to ensure availability of adequate capital to support all risks in business as also to encourage the Company to develop and use better internal risk management techniques for monitoring and managing their risks.

In compliance with the said circular, the Board in its meeting held on August 12, 2022 incorporated and approved Policy on Internal Capital Adequacy Assessment Process (ICAAP) of the Company and is also currently conducting its ICAAP exercise.

5) Introduction of Guidelines on Digital Lending

The Reserve Bank of India vide its press release dated August 10, 2022 introduced the framework for digital lending that can be carried out only by entities that are either regulated by the Reserve Bank or entities permitted to do so under any other law and such entities were clearly defined and segregated into 3 categories as per the Guidelines (Regulated Entities/RE).

Provisions have been incorporated for consumer protection and enhancement wherein REs shall have to ensure that all loan servicing, repayment, etc., shall be executed directly in their bank account without any pass-through account/ pool account of any third party. Further, all REs and their Lending Service Providers (LSPs) shall have a suitable nodal grievance redressal officer to deal with FinTech/ digital lending related complaints/issues raised by the borrowers. Any compliant not resolved by the RE, can be lodged by the borrower over the Complaint Management System (CMS) portal or other prescribed modes under the Reserve Bank- Integrated Ombudsman Scheme (RB-IOS).

In furtherance, stringent clauses have also been included pertaining to increase in credit limit unless explicit consent of borrower is taken for each such increase. To increase the level of transparency by REs, there is a requirement to publish the list of LSPs engaged by REs on their website. Further, REs may capture the economic profile of the borrowers (age, occupation, income etc) before extending any loans over (Digital Lending Apps) DLAs, with a view to assess the borrower’s creditworthiness in an auditable way.

With respect to technology and data requirements, any collection of data by DLAs should be need-based and with prior and explicit consent of the borrower, DLA should make its comprehensive privacy policy available in public domain, Details of any third parties, that are allowed to collect personal information via DLA to be disclosed and standards from handing security check have also been included in the Guidelines.

Data handing and security over digital means of lending have been emphasized significantly wherein strict compliance with various technology standards/ requirements on cybersecurity stipulated by RBI or other agencies to be a pre-condition to offer digital lending by the REs and LSPs.

With respect to regulatory and reporting requirements, REs to ensure that any lending done through DLAs is reported to Credit Information Companies (CICs). Each access/ enquiry of credit information by any RE or LSP from CIC shall be conveyed to the borrower through email/SMS. REs to ensure that all data is stored in servers located within India while ensuring compliance with statutory obligations/ regulatory instructions.

6) Guidelines on Default Loss Guarantee (DLG) in Digital Lending

The Reserve Bank of India (RBI) on June 8, 2023 has issued a guidelines on default loss guarantee (DLG) in digital lending, a move aimed at ensuring the orderly development of the credit delivery system, which shall be effective from the date of the circular. Briefly the circular states that RE may enter into DLG arrangements only with a Lending Service Provider (LSP)/ other RE with which it has entered into an outsourcing (LSP) arrangement, provisions relating to structure of DLG arrangements which must be backed by an explicit legally enforceable contract between the parties. It further states that DLG shall be accepted only in the forms specified in the said circular which our Operations, Business and Credit teams are already complying with. A cap of 5% on DLG cover on outstanding portfolio has been levied and provisions have also been incorporated for tenor of DLG, Invocation of DLG, disclosure requirements by the RE's and grievance redressal measures.

In compliance with the provisions of the said circular, the Company is currently working on incorporating a Board approved policy with respect to DLG arrangement.

REGISTRATION UNDER THE CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES AND CREDIT GUARANTEE FUND FOR MICRO UNITS (CGFMU)

During the year under review, the Company obtained registration under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set by Government of India and SIDBI for facilitating guarantees in respect of credit facilities extended by NBFCs to borrowers in Micro and Small Enterprises (MSEs) and Credit Guarantee Fund for Micro Units (CGFMU) set up by Government of India with the purpose of guaranteeing payment against default in micro loans extended to eligible borrowers by Banks/NBFCs /MFIs / Other financial intermediaries, managed by the Board of NCGTC as the trustee of the Fund.

CGTMSE vide its letter dated August 30, 2022 issued approval to the Company for an exposure limit not exceeding ₹ 100 Crores under Credit Guarantee Scheme for NBFCs (CGS-II).

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the financial year under review, the Board and Shareholders of the Company approved an application under section 66(1)(a) of the Companies Act, 2013 to be submitted with Hon'ble National Company Law Tribunal ("NCLT") for reduction of the Issued, Subscribed and Paid up share capital of the Company. The proceedings are currently under process with NCLT and reduction of share capital of the Company will be effective from the date of receipt of approval from the NCLT.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company had established a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and the same has been put up on the Company's website and available at the link:
https://www.dmifinance.in/corporate-social-responsibility-policy.html

The CSR Policy was adopted on May 2014 by the Company with the aim to contribute to the social and economic development of the community in which the Company operates. It also talks out the prescribed activities out of which the Company may opt to undertake and provides for modalities of execution of the projects undertaken, affixation of CSR budget and provides for mechanism for monitoring and reporting of the CSR activities undertaken.

For the year ended March 31, 2023, the Company was required to spend ₹ 18.17 Million under CSR for financial year 2021-22 as prescribed under Section 135 of the Companies Act, 2013. The Company has duly spent the required CSR expenditure of an amount of ₹ 17.40 Million towards various CSR projects and causes. Further, an amount of ₹ 0.77 Million was carried forward from the previous year as the company had spent excess amount during the financial year ended Mar 31, 2021.

The statutory disclosures with respect to the CSR Committee, in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, in the form of the annual report on CSR Activities is laid down in **Annexure-A** which forms part of this Report.

PARTICULARS OF INVESTMENTS LOANS AND GUARANTEES

The Company being a Non- Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) primarily engaged in the business of lending is exempted from provisions of Section 186 of the Companies Act, 2013 ("Act").

However, pursuant to Section 134(3)(g) of the Act read with Section 186 and rules made thereto, the Company had given Corporate Guarantee for an aggregate amount of ₹ 3,878.97/- Million to various banks for the funds borrowed by DMI Housing Finance Private Limited.

RELATED PARTY TRANSACTIONS

In accordance with the provisions of Section 188 of the Act and rules made thereunder, all related party transactions entered during FY 22-23 were on an arm's length basis and in ordinary course of the business.

The details as required to be provided under Section 134(3)(h) of the Companies Act, 2013 are provided in Form AOC-2 is attached as **Annexure-B** to this report.

Further, compliance with the applicable provisions of the Companies Act, 2013 and the RBI Master Directions- Systematically Important- Non-Banking Financial Companies – Non- Deposit Taking (Reserve Bank) Directions, 2016 dated September 1, 2016 (as amended from time to time) **("RBI Master Directions")**, the Company has put in place a Board approved Related Party Transaction Policy **("RPT Policy")** for the purpose of obtaining requisite approval and reporting transactions with related parties.
The policy can be accessed on the Company's website at the link: https://www.dmifinance.in/pdf/Related-Party-Transaction-Policy.pdf

A list of all the Related Party Transactions were placed before the Audit Committee for approval. Further, the details of related party transaction in compliance with provisions of Companies Act, 2013, RBI Master Directions, Regulation 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Schedule V, are disclosed in the notes forming part of the financial statements.

DISCLOSURE UNDER PREVENTION OF SEXUAL HARASSMENT POLICY

The Company is committed to create a safe and healthy work environment that enables its employees to work without fear of prejudice, gender bias and sexual harassment. The Company has in place an Anti-Sexual Harassment Policy (Policy) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). The Company believes that sexual harassment at the workplace, if involving employees of the company, shall be considered a grave offence and is therefore punishable under the provisions of the Act. For this purpose, an Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding sexual harassment.

Scope of the Policy:

The provisions of this policy are applicable to:

- All employees of the company, regardless of the nature of their contract, duration of employment or position in the organization
- Associates of the Company whether full-time, part-time, temporary, voluntary, contracted, or casual including researchers, trainees, and consultants
- Volunteers and interns, during their association with the organization
- Partners, clients, service providers and users of the services of the Company
- Acknowledgment of Policy is taken from all the employees.

All complaints of sexual harassment against employees are taken seriously and dealt with promptly. All investigations are conducted thoroughly and professionally, and accurate records of the investigation and the findings are properly maintained. Further, any employee who brings forward the charges of any instance of sexual harassment will not face any retaliation. The Company makes sure that anyone violating this policy is subjected to disciplinary action.

Every year we conduct annual trainings/ workshops & awareness programmes for all staff and members of the Internal Committee. In this programme we cover the following topics:

- Definition of Sexual Harassment
- Definition of Employee
- Duties of employer
- What is workplace
- Internal Committee Proceeding
- Disciplinary action

Two complaints were received under POSH during the year ended March 31, 2023 in accordance with the provisions of POSH Policy and POSH Act. One of the complaints has been satisfactorily resolved and the investigation for the other complaint is currently under progress.

<u>RISK MANAGEMENT POLICY</u>

In accordance with RBI Master Directions and the Companies Act, 2013, the Company has Board approved Risk Management Policy. The Board constituted Risk Management Committee and Audit Committee responsible for monitoring the progress of the Risk Control Matrix and loan portfolio and to establish standards to mitigate risks related to operations, credit, compliance, finance.

Development and implementation of Risk Control Matrix (RCM)

Key components of an organization's risk management framework is the Risk Control Matrix ('RCM') which systematically captures key risks (operational, regulatory and financial) and mitigating internal controls. It enables assessment of key controls through testing of data pertaining to each control - control description, financial statement assertions, test procedures and management action plans, etc. Backward integration of RCMs with existing risk-control assurance platforms would assist in addressing key requirements of Internal Financial Controls ('IFC'), under the Companies Act, 2013.

Key benefits of RCM

- Structured and consistent process for management of risk and controls.
- Demonstrates organization's ability to manage / mitigate risk in a comprehensive and timely manner. Strengthen Internal control/system reliance to ensure controls are adequate against all the risks involved.
- Fostering formalized, uniform, well controlled and efficient operating processes within the organization.

Increase system efficiency and its ability to support and make quick decisions to help the organization move at speed with the regulatory and other requirements.

Key Activities - Strengthening the Risk Control Matrices

<u>Preparation / Updation of RCMs for key businesses and support functions:</u>

Updating of risks and controls implemented withing key processes through testing and gap assessment Mapping controls to financial statement assertions and identify frequency of controls.

<u>Testing of RCMs and integration with Internal Audit ('IA')</u>

- Quarterly test of key controls captured in RCMs based on risk grading / prioritization and its alignment to IA testing (as per quarterly scope of work) for integrated coverage.

<u>Reporting to Risk Committee and Audit Committee</u>

- Reporting on controls testing (including high level view of key risks and controls) to be combined as part of quarterly IA reporting;
- Reporting to Risk Committee and Audit Committee;
  Updated RCMs to be shared with the management.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company to the best of their knowledge and ability, confirms that-

a. in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d. they have prepared the annual accounts on a going concern basis; and
e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System in place, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. The Company has appointed an Internal Audit Head to manage Internal Audits of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee has the responsibility for establishing the audit objectives and determines the nature, timing and extent of audit procedures as well as the locations where the work needs to be carried out.

The Internal Audit Department monitors and evaluates the efficacy & adequacy of Internal Financial Controls & Internal Control system in the Company to mitigate the risks faced by the organization and thereby achieve its business objective.

Broadly the objectives are: -

- Review the adequacy and effectiveness of the internal controls;
- Review the operation of the Control Supervisory Mechanisms;
- Recommend improvements in processes and procedures;
- Surface significant observations and recommendations for process improvement and financial leakages in a concise report for discussion with senior management;
- Review the compliance with operating systems, accounting procedures and policies.

Based on the report of Internal Audit department, process owners undertake corrective action in their respective areas and thereby strengthen the internal controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS

No significant and material orders were passed by the RBI, regulators or courts or tribunals impacting the going concern status and Company's operations in future.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the company during the year under review. Below mentioned are the required details:

Particulars	**March 31, 2023**	**March 31, 2022**
Foreign Exchange Earnings (in Million)	Nil	Nil
Foreign Exchange Outgo/Expenditure (in Million)	194.19	139.24

PARTICULARS OF EMPLOYEES

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to achieve new milestones on a continual basis.

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 **("Rules")**, is appended as **Annexure-C** to the Report. The information as per Rule 5(2) of the Rules, forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules.

The details are also available at the registered office of the Company, any member desirous of obtaining the same shall contact the Company Secretary during business hours on working days.

The Board hereby confirms that the remuneration paid to the Directors in accordance with the relevant sections of Companies Act, 2013 and rules framed therein applicable to private companies.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In terms of the requirement of Section 177 of Companies Act, 2013 and Rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company has formulated a codified vigil mechanism for their Directors and Employees to report their genuine concerns or grievances about unethical and improper practices or any other wrongful conduct in the Company, without fear of punishment, victimization or unfair treatment. The vigil mechanism provides adequate safeguards against victimization of Employees and Directors who avail of the vigil mechanism and provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Also, the Whistle Blower Policy of the Company has been put up on the Company's website and available at the link:

https://www.dmifinance.in/whistle-blower-policy.html

During the year, no complaint was received under the Whistle Blower mechanism and the same was reported to the Audit Committee Meeting.

SECRETARIAL AUDITORS AND REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, the Board of Directors of the Company has appointed M/s VLA & Associates, Company Secretaries as the Secretarial Auditor of the Company to conduct the Secretarial Audit. for the financial year ended March 31, 2023. The Secretarial Audit Report given by the secretarial auditor in requisite form MR-3 is annexed to this Report as **Annexure-D.**

The Auditors' Report is self-explanatory and has no qualification or adverse remarks.

MAINTENANCE OF COST RECORDS

As per the provisions of Section 148(1) of the Companies Act, 2013, the Company is not required to maintain cost records.

STATUTORY AUDITORS

The Company had appointed **M/s. S.N. Dhawan & Co LLP, Firm Regd. No. 000050N/N500045** as the new statutory auditors at the 13th Annual General Meeting held on October 29, 2021 to hold office for 3 years commencing from the financial year i.e. 2021-22 till the financial year 2023-24 as per the provisions of the Companies Act, 2013 and RBI Circular pertaining to appointment of Statutory Auditors. The firm carries extensive experience in the financial services sector and is one of the leading statutory audit firms in India.

The Audit Report by Statutory Auditors for the financial year ending March 31, 2023 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Further, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

AUDITOR'S OBSERVATION

The Directors have examined the Auditors' Report on accounts for the period ended March 31, 2023. The Auditors' Report is self-explanatory and has no qualification or adverse remarks except as mentioned elsewhere.

DISCLOSURE AS PER FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019

The company being a Foreign Owned and Controlled Company (FOCC), needs to report to RBI, in case of any investment made by them in any other company, by way of filing Form DI on the https://firms.rbi.org.in/ of Reserve Bank of India. During the year under review, the Company had entered into the following transactions as mentioned below and made the necessary reportings with Reserve Bank of India (RBI), thereby complied with all the reporting requirements as per Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 within the statutory timeline.

S.No	Name of Investee Company	Particulars of transaction	Date of transaction	Type of reporting required	Amount (₹)
1	Azad Engineering Private Limited	Sale/transfer of equity shares of Azad to multiple investors	December 5, 2022	FC-TRS reporting	22,12,13,467
2	Radiant Polymers Private	Subscribed to 2,98,711 equity shares of face value of Rs. 100 each and at a premium of Rs. 1,456	January 3, 2023	DI reporting	46,47,94,316
3	Biorad Medisys Private Limited	Subscribed to 600 Compulsorily Convertible Debentures (CCD) of face value of Rs. 10,00,000 each	March 29, 2023	DI reporting	60,00,00,000
4	Biorad Medisys Private Limited	Subscribed to 300 Non-Convertible Debentures (NCD) of face value of Rs. 10,00,000 each	March 29, 2023	DI reporting	30,00,00,000

5	Radiant Polymers Private	Transfer of 99,570 equity shares of Radiant to DMI Income Fund Pte Ltd		FC-TRS reporting	154,999,623.30

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Distributors and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all Executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

By order of the Board of Directors
For DMI Finance Private Limited

Sd/-

Mr. Yuvraja Chanakya Singh
Jt. Managing Director
DIN: 02601179

Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003

Sd/-

Mrs. Jayati Chatterjee
Director
DIN: 01401127

Address: 347, Pocket E,
Mayur Vihar, Phase-II,
New Delhi- 110091

Place: New Delhi
Date: August 14, 2023

Annexure-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

During the year, the Company constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

1. A brief outline on CSR Policy of the Company

   The Company adopted CSR Policy aims at supplementing the role of government in enhancing the welfare measures for the underprivileged communities. In order to fulfil and enhance its CSR responsibilities, the company will distribute its CSR efforts in accordance with the provisions of the companies Act 2013 and thus announce the following themes:

   - Health Sanitation;
   - Self-help groups empowering women:
   - Cleanliness and hygiene program;
   - Education

2. The composition of CSR Committee

S.no	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Tammir Amr	Director	2	1
2	Mr. Gaurav Burman	Director	2	2
3	Mrs. Jayati Chatterjee	Director	2	2
4	Mr. Alfred Victor Mendoza	Director	2	1
5	Mrs. Bina Singh	director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   Weblink: The CSR Policy, Composition of CSR committee and details of the projects funded by the company can be accessed from https://www.dmifinance.in/investor-corporate-governance.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)- **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- **NIL**
6. Average net profit of the company as per section 135(5)- ₹ 2,43,72,40,000/-

7. (a) Two percent of average net profit of the company as per section 135(5)- ₹ 1,62,48,266.67/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **NIL**

   (c) Amount required to be set off for the financial year, if any- ₹ NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c)- ₹ 1,62,48,266.67/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	**Amount Unspent (In Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)**		
	Amount	**Date of Transfer**	**Name of Fund**	**Amount**	**Date of Transfer**
1,62,48,266.67	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**
S.No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local Area (Yes/No)**	**Location of the Project (State/ District)**	**Project Duration**	**Amount allocated for the project (in Rs.).**	**Amount spent in the current financial year (in Rs.)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implement ation- Direct (Yes/No)**	**Mode of Implementation- Through Implementing Agency (Name and CSR Reg No.)**
1	Ashoka University (Contribution to International Foundation for Research and Education)	Education	No	Sonepat, Haryana	3 years	88,24,467	88,24,467.00	NIL	No	The amount was indirectly transferred to (Contribution to International Foundation for Research and Education)- Reg. No.- CSR00000712
2	Apnalaya and Agargamee	Agragamee works with tribal communities in Odisha and Apnalaya works with the urban poor in Mumbai	No	Mumbai, Maharashtra	3 years	20,00,000	20,00,000.00	NIL	No	The amount was indirectly transferred to the Impact Foundation (India) as the Implementation Partner Reg. No.- CSR00001920
	Total						**1,08,24,467.00**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. no.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local Area (Yes/No)**	**Location of the Project (State/District)**	**Amount Spent for the project (in Rs.).**	**Mode of Implementation-Direct (Yes/No)**	**Mode of Implementation-Through Implementing Agency (Name and CSR Reg No.)**
1	Param Shakti Peeth	Provide full care and family based rehabilitation of abandoned children, destitute women	No	Vrindavan, Mathura Road	20,00,000.00	Yes	Param Shakti Peeth Reg No.-CSR00000072
2	Jyoti Development Trust	Education, Nutrition	No	Midnapore, West Bengal	10,00,000.00	Yes	Jyoti Development Trust-Reg. No.-CSR00012807
3	Shelter Associates	Providing low-cost housing and sanitation solutions	No	Pune, Maharashtra	15,00,000.00	Yes	Shelter Associates – Reg No. CSR00002004
4	Chinmaya Organization for Rural Development (CORD)	Rural development	Yes	New Delhi	9,23,800.00	Yes	CORD-Reg No. CSR00000543
	Total				**54,23,800.00**		

(d) Amount Spent in Administrative Overheads- **NIL**

(e) Amount spent on Impact Assessment, if applicable- **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- ₹ 1,62,48,266.67/-

(g) Excess amount for set off, if any- **NIL**

S.No	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	1,62,48,266.67
(ii)	Total amount spent for the Financial Year	1,62,48,266.67
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

S.no.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)**	**Amount spent in the reporting Financial Year (in Rs.).**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.**			**Amount remaining to be spent in succeeding financial years. (in Rs.)**
				Name of Fund	**Amount (in Rs.)**	**Date of Transfer**	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
S.no.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total amount allocated for the project (in Rs.).**	**Amount Spent for the project in reporting financial year (in Rs.).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed/ Ongoing.**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**- Not Applicable**

   (a) Date of creation or acquisition of the capital asset(s).
   (b) Amount of CSR spent for creation or acquisition of capital asset.
   (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
   (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)**- Not Applicable**

   Further, in terms of the amended CSR Rules, the Chief Financial Officer of the Company has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the Board and Committee for FY 2023.

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

Sd/-	Sd/-	Sd/-
Mr. Yuvraja Chanakya Singh **Jt. Managing Director** **DIN: 02601179**	**Mrs. Bina Singh** **Member- CSR Committee** **DIN: 01146087**	**Mrs. Jayati Chatterjee** **Member- CSR Committee** **DIN: 01401127**
Address: 46, Second Floor, **Jor Bagh, New Delhi- 110003**	**Address: 46, Second Floor,** **Jor Bagh, New Delhi- 110003**	**Address: 347, Pocket E,** **Mayur Vihar, Phase-II,** **Delhi, 110091**

Place: New Delhi
Date: August 14, 2023

Annexure-B

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board or Committee	(g) Amount paid as advances, if any:
R2V2 Technologies Private Limited (Director of R2V2, father of Mr. Shivashish Chatterjee, Jt. Managing Director)	Grant of an unsecured loan	As per agreed terms provided in the Loan Agreement	Grant of an unsecured loan in ordinary course of business and at the arm's length basis Amount- ₹ 1,50,00,000	-	August 12, 2022	Not Applicable
Appnit Technologies Private Limited (Subsidiary company)	Execution of Service Agreement to avail cash deposit points/ merchant point/ live dashboard / acknowledgement of transaction services through SM	As per agreed terms provided in the Service Agreement	The Company has to pay to Appnit on the basis of service availed by the Company and Tax Invoices shall compute as per Payment Terms as specified in the Addendum to Agree-ment.	-	March 27, 2023	Not Applicable
Appnit Technologies Private Limited (Subsidiary company)	Execution of Service Agreement to avail collection services through BBPS Biller Onboarding Arrangement.	As per agreed terms provided in the Service Agreement	The Company has to pay to Appnit on the basis of service availed by the Company and Tax Invoices shall compute as per Payment Terms as specified in the Addendum to Agree-ment.	-	March 27, 2023	Not Applicable
Shivashish Chatterjee Trust (Personal Trust of Jt. Managing Director)	Transfer of Class C units of DMI Alternative Investment Fund- Special Opportunities Scheme held by the Company to Shivashish Chatterjee Trust	As per agreed terms provided in the Share Purchase Agreement	Transfer of Class C units of DMI Alternative Investment Fund- Special Opportunities Scheme as per agreed terms	-	March 27, 2023	Not Applicable
Yuvraj Singh Trust (Personal Trust of Jt. Managing Director)	Transfer of Class C units of DMI Alternative Investment Fund- Special Opportunities Scheme held by the Company to	As per agreed terms provided in the Share Purchase Agreement	Transfer of Class C units of DMI Alternative Investment Fund- Special Opportunities Scheme as per agreed terms	-	March 27, 2023	Not Applicable

	Shivashish Chatterjee Trust					
DMI Alternatives Private Limited (Associate Company)	Transfer of Class C units of DMI Alternative Investment Fund- Special Opportunities Scheme held by the Company	As per agreed terms provided in the Share Purchase Agreement	Transfer of Class C units of DMI Alternative Investment Fund- Special Opportunities Scheme as per agreed terms	-	March 27, 2023	Not Applicable
DMI Limited (Holding Company)	Transfer of shareholding of the Company in DMI Alternatives Private Limited to DMI Limited	As per agreed terms provided in the Share Purchase Agreement	Transfer of shareholding of the Company in DMI Alternatives Private Limited as per agreed terms	-	March 27, 2023	Not Applicable
Quickwork Technologies Private Limited (Private company with common director)	Availing chat bot services and and other ancillary services like iPaaS (Integration Platform as a Service), provision of user interface/ dashboard	As per terms of the Service Agreement	Company shall pay to Quickworks a specified for rendering of chat bot services and other services as specified in the Agreement Amount- ₹ 58,05,685	-	September 28, 2022	Not Applicable

By order of the Board of Directors
For DMI Finance Private Limited

Sd/-

Mr. Yuvraja Chanakya Singh
Jt. Managing Director
DIN: 02601179

Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110002

Sd/-

Mrs. Jayati Chatterjee
Director
DIN: 01401127

Address: 347, Pocket E, Mayur Vihar, Phase-II,
New Delhi- 110091

Place: New Delhi
Date: August 14, 2023

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 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:

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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

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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.

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- 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"**.

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(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.

iii.

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

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: 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

Krishna 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 Pahwa
(Company Secretary)
M. No. A24789

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. 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 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	-	-	-	-	-	-	577.30	-	-	-	-	577.30
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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(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	0.05	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)

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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(All Amount in Rs. in millions, unless otherwise stated)

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	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	-	-	-	-	-	-	-	-
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 (Prohibition) 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. 4.05 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)

	As at March 31, 2023	As at March 31, 2022
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 (NCO'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%
K2V2	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	-	-
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

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

March 31, 2023

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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(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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DMI Finance Private Limited
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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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(All Amount in Rs. In millions, unless otherwise stated)

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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DMI Finance Private Limited
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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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(All Amount in Rs. in millions, unless otherwise stated)

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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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

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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

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DMI Finance Private Limited
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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

Sahib Pahwa
(Company Secretary)
M. No. A24789
Place: NEW DELHI
Date: 22 MAY, 2023

(All Amount in Rs. In millions, unless otherwise stated)

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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A. Liquidity coverage ratio

(Amount in Rs. crores)

	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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DMI Finance Private Limited

Notes to the standalone financial statements

(All Amount in Rs. in millions, unless otherwise stated)

(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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(All Amount in Rs. In millions, unless otherwise stated)

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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(All Amount In Rs. in millions, unless otherwise stated)

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 Liabilities side	Amount Outstanding (March 31,2023)	Amount Overdue
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)	
		March 31, 2023	March 31, 2022
IX)	**Concentration of Deposits, Advances, Exposures and NPAs**		
	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

(Amount in Rs. crores)

Category	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)

Nature of fraud	March 31, 2023				March 31, 2022			
	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 dervlatives 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- Tem 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	[illegible]	-	-	227.71
At March 31, 2023	1,365.35	9.73	-	537.43	137.80	2,160.27	[illegible]	385.56	3,515.31	8,111.45

*Total Gains/Loss for the period recognized in the Statement of Profit and Loss consists of income other than fair value change

(All Amount in Rs. In millions, unless otherwise stated)

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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(All Amount in Rs. in millions, unless otherwise stated)

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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(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.

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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.:

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td colspan="2">(a) Impairment of financial assets as at balance sheet date (expected credit losses)</td></tr>
<tr><td>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</td><td>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.</td></tr>
</table>

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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

S. N. DHAWAN & CO LLP * GURUGRAM * CHARTERED ACCOUNTANTS * 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 31st 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

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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
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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. 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

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 attibutable to			
- Owners of the Company		3,147.67	583.03
- Non Controlling Interest		(2.48)	-
Other comprehensive income for the year attibutable to			
- Owners of the Company		174.09	628.12
- Non Controlling Interest		-	-
Total comprehensive income for the year attibutable 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

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

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	4,324.96	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	8,872.74
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. [illegible]

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 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 26)

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 26)	74,741	0.75
At 31 March 2023	71,24,68,142	6,567.75

For the year ended 31 March 2021	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

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 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	-	523.03
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	-	-	45.07	-	-	-	-	-	-	-	45.07	-	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

Krishna Gopal
(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

Sahil Pahwa
(Company Secretary)
M. No. A24789

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 categorization 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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DMI Finance Private Limited
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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(All Amount in Rs. in millions, unless otherwise stated)

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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(All Amount in Rs. In millions, unless otherwise stated)

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 Compulsory 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)	-	-	(0.31)	(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, 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

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)

	As at March 31, 2023	As at March 31, 2022
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	
Equity shares of Rs. 10 each fully paid up	No. of shares	% holding	No. of shares	% holding
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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(All Amount in Rs. In millions, unless otherwise stated)

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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		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

		Year ended March 31, 2023	Year ended March 31, 2022
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)

		Year ended March 31, 2023	Year ended March 31, 2022
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	

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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	0.96
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 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. 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	75.06
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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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

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

DMI FINANCE PVT. LTD. NEW DELHI