S.N. Dhawan & CO LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of
DMI Finance Private Limited
Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DMI Finance Private Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated Balance Sheet as at 31 March, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("the consolidated financial statements") and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate referred to on the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March, 2022, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For We have determined the matter described below to be the key audit matter to be communicated in our report:

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

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Key audit matters	How our audit addressed the key audit matters
designed and to operate effectively to ensure reliable financial reporting.	We tested the Holding Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

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

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

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

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

- When we read information included in Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors Responsibilities relating to other information'.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other matters

1. We did not audit the financial statements of three subsidiaries whose financial statements reflects total assets (after eliminating intra-group transactions) of Rs. 751.45 millions as at 31 March, 2022, total revenue (after eliminating intra-group transactions) of Rs. 144.56 millions for the year ended 31 March, 2022, net profit after tax of Rs. 47.00 millions for the year ended 31 March, 2022 total comprehensive income of Rs. 47.59 millions for the year ended 31 March, 2022 and net cash inflow of Rs. 238.73 millions for the year ended 31 March, 2022, as considered in the Consolidated Financial Results. The Statement also include the Group's share of net loss after tax of Rs. 3.57 millions for the year ended 31 March 2022 total comprehensive loss of Rs.3.57 millions for the year ended 31 March 2022 as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. The financial statements of these subsidiaries and associate have been audited by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the report of such auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The comparative financial information of the consolidated financial statements of the Company for the year ended 31 March, 2021 were audited by predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on 03 September 2021.

Our opinion is not modified in respect of above matters.

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Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the **'Annexure A'** a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate, none of the directors of the Group companies and its associate company is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its associates and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements of the subsidiaries and associate, the remuneration paid by the Holding Company and its subsidiaries and associate to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associate as noted in the 'Other matter' paragraph:

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i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate– Refer Note 45 to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 45 to the consolidated financial statements.

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

iv.

(a) The respective managements of the Holding Company and its subsidiaries and associate, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and its associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries and its associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 53 to the consolidated financial statements.

(b) The respective managements of the Holding Company and its subsidiaries and its associate whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and its associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 53 to the consolidated financial statements.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act , nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

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v. The Holding Company and its subsidiaries and its associate have not declared or paid any dividend during the year and have not proposed final dividend for the year

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

Vinesh Jain
Partner
Membership No.: 87701

UDIN: 22087701AJHJIV4341

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

Place: Gurugram
Date: 20 May, 2022

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of DMI Finance Private Limited on the financial statements as of and for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries and associate, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

S. No.	Name	CIN	Holding Company Subsidiary/associate	Clause number of the CARO report which is qualified or adverse
1	Appnit Technologies Private Limited	U72900UP2014PTC063266	Subsidiary	Clause iii (a) to (f), iv, vii (a) and ix(a)

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

Vinesh Jain
Partner
Membership No.: 87701

UDIN: 22087701AJHJIV4341

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

Place: Gurugram
Date: 20 May, 2022

Annexure B

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

1. In conjunction with our audit of the consolidated financial statements of the Holding company as of and for the year ended 31 March, 2022, we have audited the internal financial controls with reference to financial statements of DMI Finance Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiaries and its associate, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2022, based on internal control over financial reporting criteria.

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Other matter

9. Audit reports of three subsidiaries and one associate does not include Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Act ('the Report on internal financial controls'), since in their opinion, the said report on internal financial controls is not applicable to these Companies basis the exemption available to these companies under MCA notification no. G.S.R. 583(E) dated 13 June 2017, read with corrigendum dated 13 July 2017 on reporting on internal financial controls over financial reporting. Our report on internal financial controls with reference to financial statements in respect of these subsidiaries and associate are based on Management assessment of the internal controls over financial reporting as furnished to us by the Management.

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

Vinesh Jain
Partner
Membership No.: 87701
UDIN: 22087701AJHJIV4341

Place: Gurugram
Date: 20 May, 2022

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

DMI Finance Private Limited
Consolidated Balance Sheet as at March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,829.64	2,533.91
Bank balance other than cash and cash equivalents	5	294.66	267.21
Trade receivables	6	61.03	62.11
Loans	7	46,801.15	31,097.73
Investments	8	10,289.57	18,551.05
Other financial assets	9	1,610.08	2,037.35
Total financial assets		**65,886.13**	**54,549.36**
Non-financial assets			
Current tax assets (net)	10	296.13	232.47
Deferred tax assets (net)	11	880.14	633.87
Property, plant and equipment	12	104.64	116.23
Capital work in progress	13	23.27	-
Goodwill	14	253.53	-
Right to use assets	15	234.95	210.71
Other intangible assets	16	31.41	22.80
Other non- financial assets	17	204.91	103.27
Total non-financial assets		**2,028.98**	**1,319.35**
Assets held for sale	18	143.88	189.85
TOTAL ASSETS		**68,058.99**	**56,058.56**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
A) Trade payables	19		
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		94.79 697.23	110.75 416.80
B) Other payables	19		
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		379.87	228.80
Debt securities	20	18,552.27	18,551.69
Borrowings (other than debt securities)	21	8,988.07	1,181.19
Lease liabilities	22	276.36	242.29
Other financial liabilities	23	162.87	158.33
Total financial liabilities		**29,151.46**	**20,889.85**
Non financial liabilities			
Provisions	24	86.60	57.50
Other non-financial liabilities	25	103.51	48.06
Total non-financial liabilities		**190.11**	**105.56**
EQUITY			
Equity share capital	26	6,567.00	6,436.58
Other equity	27	32,121.29	28,626.57
Equity attributable to equity shareholders of the company		**38,688.29**	**35,063.15**
Non Controlling Interest	28	29.13	
Total Equity		38,717.42	35,063.15
TOTAL LIABILITIES AND EQUITY		**68,058.99**	**56,058.56**

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

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

Place: New Delhi
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Sahil Pahwa
(Company Secretary)
M. No. A24789
Place: New Delhi
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Consolidated Statement of profit and loss for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	29	7,837.41	6,916.49
Fees and commission income	30	235.25	81.39
Net gain on fair value changes	31	963.40	587.60
Total revenue from operations		9,036.06	7,585.48
Other income	32	163.05	103.74
Total income		9,199.11	7,689.22
Expenses			
Finance costs	33	1,916.53	1,891.68
Fees and commission expense	34	677.01	903.63
Impairment on financial instruments	35	3,411.93	2,848.74
Employee benefits expense	36	860.77	703.27
Depreciation, amortization and impairment	37	99.43	79.12
Other expenses	38	1,428.24	941.68
Total expenses		8,393.90	7,368.12
Profit before share of profit of associate and tax		805.21	321.10
Tax expense/ (credit):			
(1) Current tax	48	676.15	348.13
(2) Deferred tax	48	(457.54)	(256.80)
Income tax expense		218.61	91.33
Net profit for the year		586.60	229.77
Add: Share of Profit/(Loss) of associate		(3.57)	39.51
Net Profit after Taxes		583.03	269.28
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		1.30	2.45
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		837.53	
Income tax relating to above		(211.13)	(0.61)
Subtotal (a)		627.70	1.84
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value changes		0.57	4.21
Income tax relating to above item		(0.14)	(1.06)
Subtotal (b)		0.43	3.15
Other comprehensive income		628.12	4.99
Total comprehensive income for the year		1,211.15	274.27
Profit for the year attributable to:			
Owners of the company		583.03	269.28
Non- controlling interests		-	-
		583.03	269.28
Other comprehensive income/(loss) for the year attributable to:			
Owners of the company		628.12	4.99
Non- controlling interests		-	-
		628.12	4.99
Total comprehensive income/(loss) for the year attributable to:			
Owners of the company		1,211.15	274.27
Non- controlling interests		-	-
		1,211.15	274.27
Earnings per equity share (face value of Rs. 10 per share)	39		
Basic (Rs.)		0.83	0.42
Diluted (Rs.)		0.81	0.39

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: New Delhi
Date: 20 May 2022

S.N. DHAWAN & CO LLP
GURUGRAM
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
M.No. A24789
Place: New Delhi
Date: 20 May 2022

DMI FINANCE PVT. LTD.
NEW DELHI

DMI Finance Private Limited
Statement of Consolidated Cash Flows for the Year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities:		
Profit before tax	805.21	321.10
Adjustments for		
Depreciation and amortisation	99.43	79.12
Net gain on fair value changes	(963.40)	(587.60)
Impairment on financial instruments	3,411.93	2,848.74
Interest expense for leasing arrangements	16.09	31.02
Effective interest rate adjustment for financial instruments	12.76	15.81
Asset held for sale written off	45.97	
Employee stock option/share warrant expense	79.02	75.78
Operating profit before working capital changes	3,507.01	2,783.97
Changes in working capital		
(Increase) in financial and other assets	(18,445.42)	(2,004.44)
Increase in financial and other liabilities	420.09	209.21
(Increase)/Decrease in non financial assets	(87.21)	6.59
Increase in non financial liabilities	85.84	140.01
Total of changes in working capital	(18,026.70)	(1,648.63)
Direct taxes paid (net of refunds)	(739.81)	(410.53)
Net cash flow generated from / (used in) operating activities (A)	(15,259.50)	724.81
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(68.88)	(30.64)
Purchase of investment (net)	9,565.71	(2,951.65)
Movement of fixed deposits (net)	(27.45)	(252.01)
Net cash flow from / (used in) investing activities (B)	9,469.38	(3,234.30)
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	2,342.67	9,791.12
Proceeds from debt securities	-	500.00
Proceeds from bank borrowings	8,872.74	700.00
Repayment of debt securities	-	(4,750.00)
Repayment of bank borrowings	(1,078.04)	(2,355.33)
Lease payments	(57.10)	(55.10)
Net cash flow generated from financing activities (C)	10,080.22	3,830.71
Net increase in cash and cash equivalents (A+B+C)	4,290.10	1,321.22
Cash and cash equivalents as at the beginning of the year	2,533.91	1,212.69
Cash and cash equivalents on the date of acquisition in the subsidiary	5.63	
Cash and cash equivalents at the end of the year	6,829.64	2,533.91

Notes:

1) Components of cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.10	0.08
Balance with banks		
In current accounts	4,470.25	2,164.03
In cash credit	1,359.29	369.80
deposits with original maturity of less than 3 months	1,000.00	
Total cash and cash equivalents	6,829.64	2,533.91

2) Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement"

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 46

4) Value of assets and liabilities on acquisition of subsidiary have been included in movement of respective assets and liabilities

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place:
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place:
Date: 20 May 2022

Krishnan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
M. No. A24788
Place:
Date: 20 May 2022

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

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

A. Equity share capital (refer note 25)

For the year ended 31 March 2022

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
Balance as at April 01,2021	69,93,50,933	6,436.58
Changes in Equity Share Capital due to prior period errors		
Restated balance at 1 April 2021	69,93,50,933	6,436.58
Issue of share capital (Note 26)	1,30,42,468	130.42
At 31 March 2022	71,23,93,401	6,567.00

For the year ended 31 March 2021

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
At 1 April 2020	61,62,94,566	5,592.94
Changes in Equity Share Capital due to prior period errors		
Restated balance at 1 April 2020	61,62,94,566	5,592.94
Issue of share capital	8,30,56,367	843.64
As at 31 March 2021	69,93,50,933	6,436.58

Particulars	Reserves and Surplus							Other Comprehensive Income					
	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital redemption reserve	Upfront monies received on Share warrants	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Gain/(loss) on Fair Value changes (Debt and Equity)	Total other comprehensive income	Attributable to owners of the company	Non-controlling interests	Total
Balance as on April 1, 2020	512.54	14,547.77	66.28	-	81.21	-	3,845.10	(0.73)	53.57	52.85	19,330.35	-	19,330.35
Profit for the year		-	-				269.28				269.28	-	269.28
Other Comprehensive income for the year								1.84	3.15	4.99	4.99		4.99
Share options exercised during the year			74.37					-			74.37		74.37
Premium on issue of equity shares		8,347.56									8,347.56		8,347.56
Transfer to statutory reserve	44.62						(44.62)						
Balance as on March 31, 2021	977.46	22,895.33	140.65		81.21	-	3,873.78	1.12	56.72	57.84	28,926.57		28,926.57
Profit for the year							583.03				583.03	-	583.03
Other Comprehensive income for the year							-	0.97	627.15	628.12	628.12	-	628.12
Transfer to special reserve	116.61						(116.61)						
Share options exercised during the year		-	46.07								46.07	-	46.07
Upfront Monies on Share Warrant received during the year				-	-	0.50		-			0.50	-	0.50
Transfer to Share Warrant reserve				32.44	-						32.44	-	32.44
Premium on issue of equity shares		2,212.70									2,212.70	-	2,212.70
Non-controlling interests on acquisition in/of Appnit Technologies Private Limited				-	-								
Loss on subsequent acquisition in Subsidiary	-	-			-							29.13	29.13
					-	-	(7.64)				(7.64)	-	(7.64)
Balance as on March 31, 2022	1,094.07	25,107.95	187.02	32.44	81.21	0.50	4,337.54	2.09	683.87	685.96	32,132.29	29.13	32,160.42

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place: New Delhi
Date: 20 May 2022

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
Jt. Managing Director
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chanakya Singh
Jt. Managing Director
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

Krishan Gopal
Chief Financial Officer

Place: New Delhi
Date: 20 May 2022

Sahib Pahwa
Company Secretary
M. No. A24799
Place: New Delhi
Date: 20 May 2022

S.N. DHAWAN & CO LLP GURUGRAM CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

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 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)(iii) are hereinafter collectively referred to as 'the Group'. Information on subsidiaries included in consolidated financial statements is given in Note 2(e)(iii)

The registered office of the Company is located at Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg New Delhi

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 May, 2022

2 Basis of preparation of Financial Statements

a) **Statement of compliance**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS' or 'the Accounting Standards') notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act

All amount disclosed in the consolidated financial statements and notes have been rounded off to the nearest Rupees millions as per the requirements of Schedule III, unless otherwise stated.

b) **Basis of preparation and presentation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules , 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and deposit taking company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Group had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking Financial Company Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP') The financial statements are presented in Indian Rupees (INR) and all values are rounded to the millions, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

c) **Basis of measurement**

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value

d) **Presentation of financial statements**

The Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances

• The normal course of business
• The event of default
• The event of insolvency or bankruptcy of the Company and/or its counterparties

e) **Principles of Consolidation**

(i) Subsidiaries

The consolidated financial statements have been prepared on the following basis:

Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controllinh stakeholders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(ii) Investment in Associates

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investment in associates are accounted using the equity method. Goodwill relating to associate is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost
and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying
amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates' in the consolidated statement of profit and loss.

iii) The consolidated financial statements include results of the following subsidiaries and associate of the Holding Company, consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'

Name of the Company	Country of Incoporation	Proportion of ownership as at reporting date	Consolidated as
DMI Capital Private Limited	India	100%	Subsidiary
DMI Management Private Limited	India	100%	Subsidiary
DMI Alternatives Private Limited	India	49%	Associate
Appnit Technologies Private Limited	India	94.04%	Subsidiary

S.N. DHAWAN & CO LLP
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CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD.
NEW DELHI

3.1 **Summary of significant accounting policies**

a) **Use of estimates, judgements and assumptions**

The preparation of consolidated financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of Current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes.

i. **Business Model Assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how Group's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and an 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. Refer note 7.1 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at March 31, 2022.

iii. **Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

iv. **Fair value measurement of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principle (or most advantageous) market at the measurement date under current market conditions (i.e. the exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. **Effective interest Rate ('EIR') method**

The Company's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

vi. **Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

c) **Revenue recognition**

i. **Interest income**

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

The EIR (and therefore, the amortised cost of the assets) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extant recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income.

ii. **Income other than interest**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

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CHARTERED ACCOUNTANTS

NEW DELHI
DMI FINANCE PVT. LTD.

A. **Fee and commission income**

All other financial charges such as cheque return charges, legal charges, collection charges etc are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

B. **Net gain/loss on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as 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 Group also recognises gain on fair value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

D. **Dividend Income**

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend

d) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e) Intangible Assets

(i)Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can 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 the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Group amortizes the intangible asset over the best estimate of its useful life.

g) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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h) Leases

i. **Company as a lessee:**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
- The contract involves the use of an identified asset
- The Group has substantially all the economic benefits from use of the asset through the period of the lease and
- The Group has the right to direct the use of the asset

ii. **Measurement and recognition:**

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term Lease:
The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months. The Group recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

iii. **Group as a lessor:**
As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

i) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) **Contingent liabilities and assets**

i. **Contingent liabilities**
The Group does not recognise a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

ii. **Contingent assets**
Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

k) Employee benefits

i. **Defined contribution plan**
The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. **Defined benefit plan**
The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

iii. **Compensated absences**
Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

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l) Foreign currencies

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

m) Taxes

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current tax:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, 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 FVTP .

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, where the Group's objective is solely to collect the contractual cash flows from the assets, the same is measured at amortized cost or where the Group's objective is to collect both the contractual cash flows and cash flows arising from the sale of assets, the same is measured at fair value through other comprehensive income (FVTOCI). If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost), the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss

F. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

ii. Equity investments and Mutual funds

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as held at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity

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III. Financial Liabilities

A. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Group's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

B. Loans, Debenture and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

C. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of osts 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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l. 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 of reporting date is considered as EAS by the Group. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.
Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Group uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

iii. Definition of Default and cure

The Group considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Group may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Group also considers a variety of instances that may indicate delay in or non repayment of the loan. When such events occur, the Group carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

iv. Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded 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 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 then investment is assessed and written down value immediately to its recoverable amount. On disposal of investment in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

s) Borrowing Cost

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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4 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.10	0.08
Balance with banks		
- balance in cash credit and overdraft accounts	1,359.29	369.80
- balance in current accounts	4,470.25	2,164.03
- deposits with original maturity of less than 3 months	1,000.00	-
	6,829.64	2,533.91

* Includes balance in ICICI Bank Escrow account is maintained as per guidelines of Reserve Bank of India for operating Semi closed Prepaid Payment Instrument applicable on one of the subsidiary acquired during the year and can be used only for the specified purposes.

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months*	294.66	267.21
	294.66	267.21

* Deposits being lien marked against corporate credit cards, overdraft accounts

6 Trade receivables

Unsecured considered good	61.03	62.11
	61.03	62.11
Less: Impairment loss allowance	-	-
Total	61.03	62.11

Trade receivables from related parties (see note 41)

Trade receivables Ageing Schedule

As at 31 March 2022

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	57.17	-	-	-	3.86	61.03
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-
	57.17	-	-	-	3.86	61.03

As at 31 March 2021

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	62.11	-	-	-	-	62.11
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	62.11	-	-	-	-	62.11

Note: The ageing of trade receivables has been determined from the transaction date.

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7 Loans

	As at March 31, 2022			As at March 31, 2021		
	Amortised cost	Fair value through other comprehensive income	Total	Amortised cost	Fair value through other comprehensive income	Total
(A) Term loans						
Corporate loans*	15,680.69	367.90	16,048.60	13,723.71	142.83	13,866.54
Consumer loans	33,856.86	-	33,856.86	19,253.66	-	19,253.66
Total (A) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (A) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73

* Corporate loan portfolio includes loan outstanding from employees of Rs. 1.72 millions (previous year: Rs. 12.14 millions)

(B)						
Secured by tangible assets and intangible assets	15,680.69	367.90	16,048.60	13,723.71	142.83	13,866.54
Unsecured	33,856.86	-	33,856.86	19,253.66	-	19,253.66
Total (B) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (B) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73
(C) Sector						
Public sector	-	-	-	-	-	-
Others	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Total (C) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (C) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73
(D)						
In India	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Outside India	-	-	-	-	-	-
Total (D) Gross	49,537.55	367.90	49,905.46	32,977.37	142.83	33,120.20
Less: Impairment loss allowance	3,092.83	11.48	3,104.31	2,017.87	4.60	2,022.47
Total (D) Net	46,444.73	356.42	46,801.15	30,959.50	138.23	31,097.73

Notes:

i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company. The carrying value may be affected by changes in the credit risk of the counterparties.

ii) Secured Loans granted by the Holding Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.

iii) The Holding Company has granted certain loans to employees amounting to Rs. Nil in current year (previous year: Rs. 12.14 millions).

iv) Corporate loan portfolio includes non-convertible debentures of Rs. 3,774.76 millions (previous year: Rs. 2,385.18 millions).

v) Disclosure in respect to loan given to Key management personnel (KMP)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Key management personnel (KMP)	-	0.48	NA	4.00%

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7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	32,855.94	931.47	69.45	33,856.86	17,909.93	1,343.73	-	19,253.6
Less: Impairment loss allowance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.0
Net carrying amount	32,571.74	702.71	-	33,274.45	17,827.46	1,022.19	-	18,849.6

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	15,080.82	192.95	774.83	16,048.60	12,794.98	-	1,071.56	13,866.5
Less: Impairment loss allowance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.4
Net carrying amount	13,225.26	167.67	133.78	13,526.70	11,813.94	-	434.13	12,248.0

Summary of credit substitutes and compulsory convertible debentures by stage distribution is as follows:

Credit substitutes and compulsory convertible debentures	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,066.97	-	351.99	4,418.95	2,265.67	280.64	351.99	2,898.2
Less: Impairment loss allowance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.1
Net carrying amount	2,873.64	-	32.13	2,905.77	1,923.40	278.07	101.70	2,303.1

An analysis of changes in the gross carrying amount in relation to consumer and corporate lending (except credit substitutes and compulsory convertible debentures) is, as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	17,909.93	1,343.73	-	19,253.66	20,656.64	1,193.85	290.78	22,141.27
New Assets originated, Netted off for repayments and loans derecognised during the year	15,164.63	(574.39)	12.96	14,603.20	(2,114.34)	(483.70)	(289.67)	(2,887.61)
Transfers from Stage 1	(235.19)	193.76	41.43	-	(678.04)	678.04	-	-
Transfers from Stage 2	16.56	(31.62)	15.06	-	44.80	(44.80)	-	-
Transfers from Stage 3	-		-	-	0.77	0.34	(1.11)	-
Gross carrying amount closing balance	32,855.94	931.47	69.45	33,856.86	17,909.93	1,343.73	-	19,253.66

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	12,794.98	-	1,071.56	13,866.54	10,282.55	1,218.12	1,081.34	12,582.01
New Assets originated, Netted off for repayments and loans derecognised during the year	2,478.79	-	(296.73)	2,182.06	1,294.31		(9.78)	1,284.53
Transfers from Stage 1	(192.95)	192.95	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	1,218.12	(1,218.12)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	15,080.82	192.95	774.63	16,048.60	12,794.98	-	1,071.56	13,866.54

An analysis of changes in the gross carrying amount of investments in relation to Credit Substitutes and Compulsory Convertible Debentures is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,265.67	280.64	351.99	2,898.29	2,187.67	-	339.00	2,526.67
New Assets originated, Netted off for repayments and loans derecognised during the year	1,520.66	-	-	1,520.66	358.64	-	12.99	371.63
Transfers from Stage 1	-	-	-	-	(280.64)	280.64	-	-
Transfers from Stage 2	280.64	(280.64)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	4,066.97	-	351.99	4,418.95	2,265.67	280.64	351.99	2,898.29

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An analysis of changes in the ECL allowances in relation to consumer and corporate lending (except Credit Substitutes and Compulsory Convertible Debentures) is, as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	82.47	321.54	-	404.01	206.57	141.66	290.78	640.[illegible]
Change in ECL due to change in ECL model rate	10.86	47.00	52.69	110.55	(19.25)	101.71	-	8[illegible]
New Assets originated, Netted off for repayments and loans derecognised during the year	275.75	(172.17)	1,372.30	1,479.88	(101.99)	(75.44)	1,511.06	1,3[illegible]
Transfers from Stage 1	(83.01)	47.59	41.43	-	(3.07)	162.25	-	159.1[illegible]
Transfers from Stage 2	0.14	(15.20)	15.06	-	0.20	(10.72)	-	(10.52)
Transfers from Stage 3		-	-	-	0.00	0.08	-	0.0[illegible]
Write Offs	-	-	(1,412.03)	(1,412.03)	-	-	(1,001.87)	(1,001.8[illegible])
Gross carrying amount closing balance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.0[illegible]

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	981.04	-	637.43	1,618.46	152.19	26.24	551.34	729.7[illegible]
Change in ECL due to change in ECL model rate	543.93		30.44	574.37	395.60		88.29	483.8
New Assets originated, Netted off for repayments and loans derecognised during the year	355.88	-	(26.81)	329.07	407.01	-	(3.21)	404.8
Transfers from Stage 1	(25.29)	25.29	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	26.24	(26.24)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.4[illegible]

An analysis of changes in the ECL allowances of investment in relation to Credit Substitutes and Compulsory Convertible Debentures (refer note 9) is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.9[illegible]
Change in ECL due to change in ECL model rate	531.15	-	69.56	600.71	280.99		65.52	346.5[illegible]
ECL on new assets originated, netted off for repayments and loans derecognised during the year	317.35	-	-	317.35	40.79	0.05	6.82	47.6[illegible]
Transfers from Stage 1	-	-	-	-	(2.57)	2.57		-
Transfers from Stage 2	2.57	(2.57)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12

7.2 Collateral

In case of corporate term loans the Group is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others

In its normal course of business, the Group does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, alon with legal means to recover due loan repayments.

Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property i disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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8 Investments

As at March 31, 2022	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Equity method	Total
(A)						
Equity instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	126.30	126.30
Subtotal	-	-	-	-	126.30	126.30
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	3.37
Equity shares in Flash Electronics Private Limited	-	-	793.97	793.97	-	793.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Subtotal	-	-	1,047.60	1,047.60	-	1,047.60
Mutual funds						
234,062.91 Baroda BNP Paribas Liquid Fund - Direct Growth	-	574.14	-	574.14	-	574.14
416,933.27 HDFC Liquid Fund - Direct Plan - Growth Option	-	1,753.13	-	1,753.13	-	1,753.13
70,669.49 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
208,356.56 UTI Liquid Cash Plan - Direct Plan - Growth	-	726.06	-	726.06	-	726.06
1,879,040.88 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 DAM AIF Special Opportunities Scheme	-	-	10.10	10.10	-	10.10
Subtotal	-	194.11	10.10	204.21	-	204.21
Total (A) Gross	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (A) Net	542.46	7,203.87	2,416.94	10,163.27	126.30	10,289.57
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Total (B) Gross	1,690.72	7,265.66	2,720.07	11,676.45	126.30	11,802.75
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (B) Net	542.46	7,203.87	2,416.94	10,163.27	126.30	10,289.57

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As at March 31, 2021	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Equity method	Total
(A)						
Equity instruments						
Investments in Associates						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	129.73	129.73
Subtotal	-	-	-	-	129.73	129.73
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.27	3.27	-	3.27
Equity shares in McNally Bharat Engineering Company Limited	-	25.12	-	25.12	-	25.12
Equity shares in Flash Electronics Private Limited	-	-	304.40	304.40	-	304.40
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	226.20	226.20	-	226.20
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Subtotal	-	25.12	568.37	593.49	-	593.49
Mutual funds						
1,844,321 in HDFC Liquid Fund - Direct Plan - Growth	-	7,461.24	-	7,461.24	-	7,461.24
49,969 HDFC Money Market Fund - Regular Plan Growth		202.15		202.15		202.15
1,893,820 in SBI Liquid Fund Direct Growth	-	6,100.55	-	6,100.55	-	6,100.55
213,248 in Baroda Pioneer Liquid Fund - Plan B Growth	-	505.24		505.24	-	505.24
1,666,137 in ICICI Prudential Liquid Fund Direct Plan Growth	-	507.74	-	507.74	-	507.74
Subtotal	-	14,776.92	-	14,776.92	-	14,776.92
Debt instruments						
500 units of State Bank of India Series - II non-convertible debenture	526.75			526.75	-	526.75
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 fully paid up	-	-	826.47	826.47	-	826.47
Subtotal	526.75	-	826.47	1,353.22	-	1,353.22
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	209.85	-	71.73	281.58	-	281.58
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	596.12	-	-	596.12	-	596.12
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.08	352.00	-	352.00
705 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	566.44	-	244.80	811.24	-	811.24
410 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	44.67	-	2.07	46.74	-	46.74
Subtotal	1,590.00	-	497.68	2,087.68	-	2,087.68
Other Instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	11.01	11.01	-	11.01
Subtotal	-	194.11	11.01	205.12	-	205.12
Total (A) - Gross	2,116.75	14,996.15	1,903.53	19,016.43	129.73	19,146.17
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (A) Net	1,714.49	14,996.15	1,710.67	18,421.31	129.73	18,551.05
(B)						
Investments outside India	-	-	-	-	-	-
Investments in India	2,116.75	14,996.15	1,903.53	19,016.43	129.73	19,146.17
Total (B) - Gross	2,116.75	14,996.15	1,903.53	19,016.43	129.73	19,146.17
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (B) - Net	1,714.49	14,996.15	1,710.67	18,421.31	129.73	18,551.05

Notes:

(i) For movement of impairment loss allowance refer note 7.1

(ii) Detail of Group's associate is given below. Associate is included in the Group's financial statements using equity method of accounting:

Name of entity	Principal Activity	Place of incorporation	Principal place of business	Particulars	As at March 31, 2022	As at March 31, 2021
DMI Alternatives Private Limited	Investment Manager	Delhi	Delhi	% share in profits	49%	49%

(iii) An analysis of Group's investment in associate is as follows:

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	129.73	89.48
Addition/Adjustment	0.14	0.74
Disposal	-	-
Share of Profits/(Loss)	(3.57)	39.51
Dividend received	-	-
Balance at the end of the year	126.30	129.73

(iv) Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

	As at March 31, 2022	As at March 31, 2021
Profit/ (loss) after tax	(7.29)	80.64
Other Comprehensive income	(0.31)	0.02
Total Comprehensive Income	(7.60)	80.66

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

9 Other financial assets (at amortized cost)

	As at March 31, 2022	As at March 31, 2021
Security deposit	25.55	21.17
First loss default guarantee recoverable	90.54	1,[illegible]14.82
Ex-gratia interest benefit	-	99.47
Interest accrued on fixed deposits	13.74	-
Money with partners pending for disbursement	898.89	[illegible]77.56
Unbilled revenue and recoverables	581.36	[illegible]24.33
Total	**1,610.08**	**2,837.35**

10 Current tax assets

	As at March 31, 2022	As at March 31, 2021
Advance Income-tax (net)	296.13	[illegible]32.47
Total	**296.13**	**[illegible]32.47**

11 Deferred tax assets

	As at March 31, 2022	As at March 31, 2021
Deferred tax liability		
Fair value of financial instruments	379.33	19.17
Difference in income recognition on unrealized gain on mutual fund investments	23.80	72.79
Total deferred tax liabilities	**403.13**	**91.96**
Deferred tax asset		
Provision for employee benefits	20.96	14.47
Difference in written down value as per Companies Act and Income-tax Act	12.18	6.54
EIR adjustment for processing fee	77.29	30.81
Liability against leases	9.91	7.44
Impairment loss allowance	1,131.17	640.90
Carry forward of losses	3.23	-
Carry forward of interest disallowed u/s 94B	28.53	25.67
Gross deferred tax asset	**1,283.27**	**725.83**
Net Deferred Tax (Liability)/ Asset	**880.14**	**633.87**

Movement of deferred tax assets	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2022
Liabilities				
Fair value of financial instruments	19.18	149.02	211.13	379.33
Difference in income recognition on unrealized gain on mutual fund investments	72.78	(48.98)	-	23.80
Deferred Tax Liabilities	**91.96**	**100.04**	**211.13**	**403.13**
Assets				
Provision for employee benefits	14.48	6.62	(0.14)	20.96
Difference in written down value as per Companies Act and Income-tax Act	6.54	5.64	-	12.18
EIR adjustment for processing fee	30.81	46.48	-	77.29
Liability against leases	7.43	2.48	-	9.91
Impairment loss allowance	640.90	490.27	-	1,131.17
Carry forward of Losses	-	3.23		3.23
Carry forward of interest disallowed u/s 94B	25.67	2.86	-	28.53
Deferred Tax Assets	**725.83**	**557.58**	**(0.14)**	**1,283.27**
Net Deferred tax asset	**633.87**	**457.54**	**(211.27)**	**880.14**

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Movement of Deferred tax assets	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2021
Liabilities				
Fair value of financial instruments	13.83	4.29	1.06	19.18
Difference in income recognition on unrealized gain on mutual fund investments	19.25	53.53	-	72.78
Deferred Tax Liabilities	**33.08**	**57.82**	**1.06**	**91.96**
Assets				
Provision for employee benefits	9.70	5.39	(0.61)	14.48
Difference in written down value as per Companies Act and Income-tax Act	5.99	0.55	-	6.54
EIR adjustment for processing fee	-	30.81	-	30.81
Liability against leases	3.96	3.47	-	7.43
Impairment loss allowance	366.50	274.40	-	640.90
Carry forward of interest disallowed u/s 94B	25.67	-	-	25.67
Deferred tax assets	**411.82**	**314.62**	**(0.61)**	**725.83**
Net Deferred tax assets	**378.74**	**256.80**	**(1.67)**	**633.87**

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12 Property, plant and equipment (at cost or deemed cost)

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold improvements	Total
Gross carrying amount						
Balance as at March 31, 2020	1.48	29.29	5.36	32.06	141.24	209.43
Additions	0.41	8.52	-	0.47	-	9.40
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	1.89	37.81	5.36	32.53	141.24	218.83
Additions	0.05	19.84	0.19	0.47	0.01	20.56
Disposals	(0.04)	-	-	(0.31)	(3.97)	(4.32)
Balance as at March 31, 2022	1.90	57.65	5.55	32.69	137.28	235.07
Accumulated depreciation						
Balance as at March 31, 2020	0.69	20.26	3.79	15.75	29.95	70.44
Charge for the year	0.21	7.77	0.48	7.27	16.43	32.16
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	0.90	28.03	4.27	23.02	46.38	102.60
Charge for the year	0.26	11.31	0.42	4.10	15.81	31.90
Disposals	(0.03)	-	-	(0.27)	(3.77)	(4.07)
Balance as at March 31, 2022	1.13	39.34	4.69	26.85	58.42	130.43
Net carrying amount						
As at March 31, 2021	0.99	9.78	1.09	9.51	94.86	116.23
As at March 31, 2022	0.77	18.31	0.86	5.84	78.86	104.64

Notes:

i) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 15 - Right to use assets.

ii) During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.

iii) There is no proceeding initiated against the group for the properties under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

13 Capital work in progress

	As at March 31, 2022	As at March 31, 2021
Capital work in progress	23.27	-
	23.27	-

As at 31 March, 2022

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	23.27	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	23.27	-	-	-	-

As at 31 March, 2021

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note:
Contractual commitments to be executed on capital account amounting to Rs. 18.25 millions (previous year: NIL)

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14 Goodwill

Particulars	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost	253.53	-
Accumulated impairment loss	-	-
	253.53	-

Particulars	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost		
Balance at the beginning of the year	-	-
Additions on account of acquisitions/business combinations	253.53	-
Adjustments		-
Foreign currency translation reserve	-	-
Balance at the end of the year	253.53	-

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Impairment losses recognised in the year	-	-
Balance at the end of the year	-	-

Notes:

i) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassesing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

ii) For the purpose of impairment testing, goodwill acquired in one of the subsidiary is compared with the synergies arising from the subsidiary. After testing, no impairment loss was assessed.

15 Right to use assets

	Right to use assets	Total
Gross carrying amount		
Balance as at March 31, 2020	293.91	293.91
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	293.91	293.91
Additions	75.08	75.08
Disposals	-	-
Balance as at March 31, 2022	368.99	368.99
Depreciation		
Balance as at March 31, 2020	45.24	45.24
Additions	37.96	37.96
Disposals	-	-
Balance as at March 31, 2021	83.20	83.20
Additions	50.84	50.84
Disposals	-	-
Balance as at March 31, 2022	134.04	134.04
Net carrying amount		
As at March 31, 2020	248.67	248.67
As at March 31, 2021	210.71	210.71
As at March 31, 2022	234.95	234.95

Note: For other details please refer Note 47

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16 Other intangible assets

	Software	Total
Gross carrying amount		
Balance as at March 31, 2020	15.66	15.66
Additions	24.25	24.25
Disposals	-	-
Balance as at March 31, 2021	39.91	39.91
Additions	25.29	25.29
Disposals	-	-
Balance as at March 31, 2022	65.20	65.20
Amortisation		
Balance as at March 31, 2020	8.11	8.11
Additions	9.00	9.00
Disposals	-	-
Balance as at March 31, 2021	17.11	17.11
Additions	16.69	16.69
Disposals	-	-
Balance as at March 31, 2022	33.80	33.80
Net carrying amount		
As at March 31, 2020	7.55	7.55
As at March 31, 2021	22.80	22.80
As at March 31, 2022	31.41	31.41

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17 Other non- financial assets

	As at March 31, 2022	As at March 31, 2021
Capital advance	-	6.13
Prepaid expenses	104.16	89.09
Balances with statutory / government authorities	5.05	6.93
Advance salary	0.04	-
Advances given to vendors	93.32	-
Other non-financial assets	2.35	1.12
Total	204.91	103.27

18 Assets held for sale

Assets under settlement (see note below)	143.88	189.35
	143.88	189.35

Note : These assets represent assets acquired from the Holding Company's borrowers as a part of Group's risk management strategy. In these cases, the Holding Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Holding Company and borrower to transfer the asset in the name of the Holding Company towards settlement of the loan amount.
Basis the development during the current year, the Holding Company, on prudent basis, has written off asset under settlement amounting to Rs. 45.97 million.

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	As at March 31, 2022	As at March 31, 2021
19 Payables		
a. Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	94.79	10.75
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	697.23	-16.80
	792.02	**127.55**
b. Other payables		
i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	:28.80
	379.87	28.80
Total	1,171.89	56.35

i) Trade payable and other payable ageing schedule

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	94.79	-	-	-	94.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,032.22	35.98	5.10	3.80	1,077.10
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**1,127.01**	**35.98**	**5.10**	**3.80**	**1,171.89**

As at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	110.75	-	-	-	.10.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	621.72	14.27	5.61	-	-45.60
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**732.47**	**14.27**	**9.61**	**-**	**756.35**

ii) Amount outstanding if Micro, Small and Medium Enterprises Development Enterprises

Based on the responses received from certain suppliers, the Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2022	As at March 31, 2021
i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	94.79	110.75
- Interest thereon	0.03	-
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment	-	-
iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) the amount of interest accrued and remaining unpaid	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	-	-

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20	Debt securities (at amortised cost)	As at March 31, 2022	As at March 31, 2021
	Non convertible debentures (refer note 20.1)	18,552.27	18,551.69
		18,552.27	18,551.69
	Secured **	499.27	498.69
	Unsecured	18,053.00	18,053.00
	Total	18,552.27	18,551.69
	Debt securities in India	18,552.27	18,551.69
	Debt securities outside India	-	-
	Total	18,552.27	18,551.69

** Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company of Rs. 893.22 millions (previous year Rs 725 millions).

The Holding Company has not created the Debenture redemption reserve as it is not mandatorily required in accordance with provisions of the Companies Act 2013.

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20.1 Terms of redeemable non-convertible debentures (NCD's)

A Secured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021	Terms of redemption
INE604O07159	June 30, 2020	June 30, 2023	10,00,000	500	9.00%	500	499.27	498.69	On or prior to 36 months from the first allotment date. Coupon payment frequency is yearly
Total							499.27	498.69	

All secured against exclusive charge on the standard assets portfolio receivables as per the respective agreements.

B Unsecured

ISIN	Date of allotment	Date of redemption	Nominal value per debenture	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021	Terms of redemption
INE604O08066	October 1, 2019	October 1, 2022	10,00,000	1,160	10.35%	1,160.00	1,160.00	1,160.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08074	October 21, 2019	October 21, 2022	10,00,000	2,040	10.35%	2,040.00	2,040.00	2,040.00	On or prior to 36 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08082	November 25, 2019	November 25, 2023	10,00,000	2,040	8.50%	2,040.00	2,040.00	2,040.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08090	December 10, 2019	December 10, 2023	10,00,000	867	8.50%	867.00	867.00	867.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08108	February 20, 2020	February 20, 2024	10,00,000	7,172	8.50%	7,172.00	7,172.00	7,172.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08124	February 28, 2020	February 28, 2024	10,00,000	4,640	9.50%	4,640.00	4,640.00	4,640.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
INE604O08116	March 12, 2020	March 12, 2024	10,00,000	134	8.50%	134.00	134.00	134.00	On or prior to 48 months from the first allotment date. Coupon payment frequency is quarterly
Total							18,053.00	18,053.00	

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21 Borrowings (other than debt securities) (at amortised cost)	As at March 31, 2022	As at March 31, 2021
Secured		
Term loans		
From banks (See note i and iii below)	8,717.10	1181.19
Cash credit and overdraft		
From banks (See note ii below)	248.43	-
	8,965.53	1181.19
Unsecured		
Term loans		
From Individuals (See note iv below)	8.15	-
From Corporates (See note iv below)	11.57	-
From banks	2.82	-
	22.54	-
Borrowings in India	8,988.07	1181.19
Borrowings outside India	-	-
Total	8,988.07	1181.19

Notes:

i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company to the extent of Rs. 14,257.92 millions (Previous year: Rs. 2,397.07 millions).

ii) Exclusive Hypothecation charge on the standard receivables of the Holding Company upto 1.25 times, at all times and cash credit is repayable on demand.

iii) Terms of repayment of borrowings as on March 31, 2022 are as follows:

Lender	Disbursement Amount	Repayment	Rate of interest	Security cover	Outstanding as on March 31,2022	Outstanding as on March 31, 2021
Bank of Baroda	1,000	16 quarterly installments	>6.00%<10.5%	133%	248.50	494.24
Bank of Baroda	500	16 monthly installments	>6.00%<10.5%	133%	373.33	497.05
Bank of Baroda	500	16 quarterly installments	>6.00%<10.5%	133%	497.50	-
Karnataka Bank Limited	200	11 quarterly installments	>6.00%<10.5%	125%	163.22	-
Bank of Maharashtra	500	42 monthly installments	>6.00%<10.5%	125%	476.93	-
HDFC Bank Limited	300	16 quarterly installments	>6.00%<10.5%	133%	-	56.21
HDFC Bank Limited	750	8 quarterly installments	>6.00%<10.5%	125%	512.55	-
HDFC Bank Limited	800	8 quarterly installments	>6.00%<10.5%	125%	797.04	-
State Bank Of India	1,000	15 quarterly installments	>6.00%<10.5%	125%	865.74	-
Karnataka Bank Limited	250	11 quarterly installments	>6.00%<10.5%	125%	221.86	-
Kotak Mahindra Bank Limited	400	24 monthly installments	>6.00%<10.5%	133%	349.44	-
Indusind Bank Limited	500	12 quarterly installments	>6.00%<10.5%	133%	495.74	-
Punjab National Bank	500	35 monthly installments	>6.00%<10.5%	133%	483.82	-
South Indian Bank Limited	300	14 quarterly installments	>6.00%<10.5%	133%	-	85.61
South Indian Bank Limited	500	15 quarterly installments	>6.00%<10.5%	125%	499.04	-
Indian Bank	750	16 quarterly installments	>6.00%<10.5%	125%	746.57	-
AU Small Finance Bank Limited	450	36 monthly installments	>6.00%<10.5%	110%	-	0.92
Union Bank of India Limited	550	14 quarterly installments	>6.00%<10.5%	133%	-	27.17
Small Industries Development Bank of India	200	7 monthly installments	>6.00%<10.5%	125%	-	20.00
State Bank Of India	2,000	15 quarterly installments	>6.00%<10.5%	125%	1,985.82	-
HDFC Bank Limited *	3	48 monthly installments	>6.00%<10.5%	NA	2.82	-
Total					8,719.92	1,181.19

*Unsecured loan taken by one of the subsidiary under Guaranteed Emergency Credit Line scheme

The charges/satisfaction which yet to be registered with Registrar of Companies (ROC) as at 31 March, 2022 are as follows:

Brief description of satisfaction	Location of ROC	Due date for satisfaction	Reason for delay
Bank of India	Delhi	Not yet registered	The loan was obtained from consortium of banks with Bank of India being the lead banker. The loan has been completely paid in the year 2018. Due to involvement of multiple banks, NOCs from all the banks are required by the lead banker to issue NOC for the satisfaction of Debt. The Holding Company is following up with all the involved banks to obtain the NOC for satisfaction of charge. The Holding Company shall file for the satisfaction of charge with the ROC on receipt of NOC from BOI.

iv) Unsecured loans from individuals and corporate are repayable on demand.

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Additional Notes:

i) Secured term loans from banks amounting to Rs. 8,717.10 millions and carry rate of interest in the range of 6.00% to 10.50% p.a. The loans are having tenure of 2 to 4 years from the date of disbursement and are repayable in both monthly and quarterly installments. The secured term loans are secured by hypothecation (exclusive charge) of the book debt receivables of the Holding Company.

ii) There are no term loans from financial institutions.

iii) The Group has not defaulted in the repayment of dues to its lenders.

iv) The Group has not declared as wilfull defaulter by any of banks, financial institution or any other lender

v) The Group has been submitting monthly/quarterly receivable/stock data with the lenders as per the provision of sanction letters and there are no discrepancies between receivable/stock data submitted to the lenders and book of accounts.

vi) The corporate guarantee given by the Holding Company for borrowings of fellow subsidiary on which charge is created on the assets of company have not been considered for the disclosure as their charge is not due for the satisfaction.

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22 Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 47)	276.36	242.29
	276.36	242.29

23 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due		
- Debt securities	156.43	156.43
- Borrowings other than debt securities	6.44	0.67
Others	-	1.23
	162.87	158.33

24 Provisions

Provision for gratuity (refer note 40)	34.56	23.24
Provision for compensation absences	52.04	34.26
	86.60	57.50

25 Other non-financial liabilities

Statutory dues payable	64.48	44.71
Advances for goods and services	33.75	-
Prepaid Payment Instrument balances	0.22	-
Security Deposit	4.71	3.35
Others	0.35	-
	103.51	48.06

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26 Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
A. Authorized share capital				
Equity shares of Rs. 10 each	96,50,00,000	9,650.00	96,50,00,000	9,550.00
Compulsorily convertible preference shares of Rs. 10 each	3,50,00,000	350.00	3,50,00,000	350.00
	1,00,00,00,000	10,000.00	1,00,00,00,000	10,000.00
B. Issued, subscribed and paid up				
Fully called-up and paid-up				
Equity shares of Rs. 10 each	65,50,78,001	6,550.78	64,20,35,533	6,420.36
Sub total (A)	65,50,78,001	6,550.78	64,20,35,533	6,420.36
Partly called-up and paid-up				
Equity shares of Rs. 10 each	5,73,15,400	16.22	5,73,15,400	16.22
Sub total (B)	5,73,15,400	16.22	5,73,15,400	16.22
Total (A+B)	71,23,93,401	6,567.00	69,93,50,933	6,436.58

26.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Balance at the beginning of year	69,93,50,933	6,436.58	61,62,94,566	5,592.94
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	-	-	-	-
Shares issued during the year	1,30,42,468	130.42	8,30,56,367	830.57
First call money called on party paid up shares	-	-	-	13.07
Balance at the end of year	71,23,93,401	6,567.00	69,93,50,933	6,436.58

26.2 Shares held by holding Company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
	51,98,89,603	72.98%	51,98,89,603	74.34%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

26.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
NIS Ganesha S.A.	6,47,35,441	9.09%	6,47,35,441	9.26%
K2V2 (refer (i) below)	5,73,15,400	8.05%	5,73,15,400	8.20%

Note: As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(i) During the previous year, the Holding Company has issued 1,30,42,468 equity shares comprising of 107,62,812 Rs. 10 per share at Rs. 209.75 per share (including premium of Rs. 199.75 per share) and 22,79,656 equity shares of Rs. 10 per share at applicable exercise price under the ESOP plans. The amount received on these issues aggregates to Rs. to Rs. 2,342.63 million.

(ii) The Holding Company had issued 2,7783,195 Compulsorily Convertible Preference Shares ("CCPS") namely Series B, Series C, Series D, Series E, Series F and Series G to different holders from time to time. As per the terms of issue of CCPS, the CCPS were converted into 2,00,56,804 ordinary equity shares of the Company on November 8, 2019.

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26.4 Details of shares held by promoters

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	51,98,89,603	43,89,79,922
Change during the year	-	8,09,09,681
No. of shares at the end of the year	51,98,89,603	51,98,89,603
% of total shares	72.98%	74.34%
% change during the year	-1.83%	4.38%

DMI Limited is the promoter of the Holding Company

26.5 Rights, preferences and restrictions

The Holding Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

26.6 Aggregate number of shares issued for consideration other than cash during the five years

The Holding Company has not issued any shares pursuant to a contract without payment being received in cash nor allotted as fully paid up by the way of bonus shares and there has not been any buy back of shares in the current period and the immediately preceding four years.

26.7 Uncalled and Unpaid Capital

There are 5,73,15,400 equity shares issued by the Holding Company against which, the Holding Company has received Rs. 16,52,47,259 (including securities Premium of Rs. 14,90,25,873). Balance amount is not called up by the Holding Company.

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27 Other equity

	As at March 31, 2022	As at March 31, 202[illegible]
Securities premium	25,707.55	23,495.35
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	1,094.07	977.46
Share based payment outstanding reserve	187.02	140.95
Share warrant reserve	32.44	
Retained earnings	4,332.54	3,873.76
Other comprehensive income	685.96	57.84
Upfront monies received on share warrant	0.50	
Total	32,121.29	28,626.57
Securities premium		
Opening balance	23,495.35	14,547.77
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	2,212.20	8,947.58
Closing balance	25,707.55	23,495.35
Capital redemption reserve		
Opening balance	81.21	81.21
Add : Additions during the year	-	-
Closing balance	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act		
Opening balance	977.46	932.34
Add : Transfer during the year from Surplus in	116.61	44.32
Closing balance	1,094.07	977.46
Share based payment outstanding reserve		
Opening balance	140.95	66.[illegible]8
Add: Granted/vested during the year	73.56	75.[illegible]8
Less : Exercised during the year	(27.49)	(1.31)
Closing balance	187.02	140.95
Share warrant reserve		
Opening balance	-	-
Add : Addition during the year	32.44	-
Closing balance	32.44	-
Retained earnings		
Opening balance	3,873.76	3,649.[illegible]0
Add : Profit for the year	583.03	269.[illegible]8
Less: Loss on subsequent acquisition in	(7.64)	-
Less : Transfer to reserve fund as per section 45	(116.61)	(44.[illegible]2)
Closing balance	4,332.54	3,873.[illegible]6

	As at March 31, 2022	As at March 31, 202[illegible]
Upfront monies received on share warrant		
Opening balance	-	-
Add : Amount received during the year	0.50	-
Closing balance	0.50	-
Other Comprehensive Income		
Opening balance	57.84	52.[illegible]5
Add: Remeasurement gain on defined benefit	0.97	1.[illegible]4
Add : Gain on Fair Value changes (Debt and	627.15	[illegible].[illegible]5
Closing balance	685.96	57.[illegible]4

Security premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

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Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on buy back of shares.

Statutory reserve u/s 45-IC of RBI Act

The reserve is created as per the provision of Section 45 (IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve 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 Group.

Retained earnings

Retained earnings or accumulated surplus and represents total of all profits retained since the Holding Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

Upfront monies received on share warrant

Upfront monies received on share warrant represents the upfront monies received against the share warrants issued by the Holding Company.

28 Non-controlling interests

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Share of profit for the year	-	-
Dividend	-	-
Equity component of Preference Share Capital	-	-
Non-controlling interests on acquisition in/of Appnit Technologies Private Limited	29.13	-
Balance at the end of the year	29.13	-

Details of non-wholly owned subsidiary that have non-controlling interests

The table shows details of non-wholly owned subsidiary of the Group that has non-controlling interests:

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests	
		March 31,2022	March 31,2021	March 31,2022	March 31,2021
Appnit Technologies Private Limited	India	5.96%	-	29.13	-

Particulars	As at March 31, 2022
Financial assets	239.15
Non Financial assets	103.17
Financial liabilities	45.39
Non Financial liabilities	44.03
Equity attributable to the owners of the company	223.82
Non-controlling interests	29.13

Particulars	Year ended March 31, 2022
Income	-
Expenses	-
Profit/(loss) for the year	-
Profit/(loss) attributable to the owners of the Company	-
Profit/(loss) attributable to the non-controlling interests	-
Profit/(loss) for the year	-
Other comprehensive income attributable to the owners of the Company	-
Other comprehensive income attributable to the non-controlling interests	-
Total comprehensive income of the year	-

During the current year as the Company acquired the subsidiary there is no operational activities after the acquisiton.

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29 Interest income

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest income on portfolio loans	-	7,280.24	30.22	-	6,394.70	18.35
Interest income on investments	23.19	310.85	154.84	-	292.64	175.86
Interest on deposits with bank	-	38.06	-	-	34.94	-
	23.19	7,629.15	185.06	-	6,722.28	194.21
Total Interest Income			7,837.41			6,916.49

30 Fees and commission income

	Amount invoiced		Revenue booked	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Fee on card reload	21.42	18.48	21.42	18.48
Consulting fee	109.74	36.15	109.74	36.15
Others *	-	-	104.09	26.76
	131.16	54.63	235.25	81.39

*includes income related other recoveries from Consumer loans

31 Net gain on fair value changes

(A) Net gain on financial instruments at fair value through profit and loss		
on financial instruments designated at fair value through profit or loss	963.40	587.60
(B) others	-	-
	963.40	587.60
Analysis of fair value changes#		
Realised	716.69	355.03
Unrealised	246.71	232.57
	963.40	587.60

#shows the change from the date of investment

32 Other income

Cost sharing from group companies	122.08	103.38
Income on Treasury instruments	16.89	-
Interest income on income tax refund	0.75	-
Interest income on unsecured loans	1.10	-
Liabilities written back	17.04	-
Foreign exchange gain (net)	0.09	-
Miscellaneous income	5.10	0.36
	163.05	103.74

33 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,685.76	1,599.45
Interest on borrowings (other than debt securities)		
- on bank term loan	211.88	141.75
- on bank cash credit/overdraft	0.58	0.32
Other interest expense		
- on delayed deposit of statutory dues	0.08	0.81
- on leasing arrangements	16.09	24.54
Other borrowing costs	2.14	24.81
	1,916.53	1,791.68

34 Fees and commission expense

	Year ended March 31, 2022	Year ended March 31, 2021
Selling partner commission	677.01	703.63
	677.01	703.63

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35 Impairment on financial instruments

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost
Loans	6.88	-	1,074.96	0.75	-	651.95
Investments	110.27	61.79	746.00	98.31	-	295.86
Write offs	-	-	1,412.03	-	-	1,801.87
Total	117.15	61.79	3,232.99	99.06	-	2749.68
			3,411.93			2848.74

36 Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	724.50	576.26
Contribution to provident and other funds	24.13	24.56
Gratuity expenses (refer note 40)	11.28	8.23
Share based payment to employees	73.56	75.78
Staff welfare expenses	27.29	18.44
	860.77	703.27

37 Depreciation and amortization

Depreciation on property, plant and equipment (See note 12)	31.90	32.16
Amortisation of right to use assets (See note 15)	50.84	37.96
Amortisation of other intangible assets (See note 16)	16.69	9.00
	99.43	79.12

38 Other expenses

Advertisement expenses	8.85	18.67
Legal and professional fees*	611.21	302.88
Travelling and conveyance expenses	10.51	4.42
Auditor's remuneration (refer note 38.1)	4.05	4.04
IT expenses	256.16	145.65
Rates and taxes	6.57	1.55
Rent	5.06	12.65
Goods and service tax	201.20	174.95
Director's sitting fee	0.68	0.56
Corporate social responsibility (refer note 38.2)	18.42	25.15
Repair and maintenance	14.60	7.30
Insurance expense	0.24	0.10
Credit evaluation fee	151.27	16.07
Credit rating fee	5.24	2.05
Customer onboarding expenses	0.07	2.28
Assets held for sale written off	45.97	-
Amortization of Premium on debenture	0.37	1.32
Miscellaneous expenses	87.77	42.04
	1,428.24	761.68

* includes share warrant expense amounting to Rs. 32.44 millions (previous year Rs. Nil)

38.1 Auditor's remuneration (excluding applicable taxes)

	Year ended March 31, 2022	Year ended March 31, 2021
- as auditors	2.80	3.05
- for tax services	0.30	0.03
- for other services*	0.95	0.96
	4.05	4.04

* Includes amount of INR 0.15 million paid to erstwhile Auditor of the Holding Company.

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38.2 Corporate social responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Group during the year was Rs. 17.40 millions in FY 2021-22 (Previous Year Rs. 23.62 millions) and Group has spent Rs. 17.40 millions in FY 2021-22 (Previous Year Rs. 23.62 millions).

	Year ended March 31, 2022	Year ended March 31, 2021
Gross amount unspent for the last year	-	-
Gross amount required to be spent by the group during the year	18.42	25.15
Amount spent during the year	18.42	25.15
Construction/acquisition of any asset	-	-
Paid in cash	18.42	25.15
Yet to be paid in cash	-	-
Nature of CSR Activities		
Education, Nutrition and Women Empowerment	14.66	16.40
Promoting and development towards healthcare	3.27	5.12
Promoting Indian Classical art and culture among youth	0.50	0.50
Training and helping Indian Athletes to win Olympic Gold medals	-	2.13
Provide supporting in eradication of hunger	-	1.00

Notes :

a) There is no transaction with related parties as defined under the IND AS 24 'Related Party Disclosures'

b) There is no provision outstanding in the books as at March 31, 2022

c) During the previous financial year (2020-21), the Holding Company has spent excess amount of INR 0.77 million, such excess amount was set off against the CSR expenditure spent during the financial year 2021-22 pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

39 Earning per share (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to equity shareholders	583.03	**269.28**
Net profit for the year for basic EPS	583.03	269.28
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	583.03	269.28
Nominal value of equity shares (in Rs.)	10.00	10.00
Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)	**70,34,43,054**	**63,5556,623**
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	**71,55,44,050**	**69,64 77,457**
Basic EPS	0.83	0.42
Dilutive EPS	0.81	0.39

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39A Employee Stock Option Plan

I. The Holding Company has formulated share-based payment schemes for its Group employees. Details of all grants in operation during the year ended March 31, 2022 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of Options granted	Method of settlement	Graded vesting period *	Number of employees to whom options were granted	First vesting date	Exercise period **	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	01-Apr-19	11-02-2020	6,46,899	Shares	See Below	40	31-03-2020	5 years	As per plan	95.49	95.49
DMI ESOP Retention Plan 2015	16-Mar-20	11-02-2020	14,00,000	Shares	See Below	10	15-03-2021	5 years	As per plan	100.00	101.37
DMI ESOP plan 2018	19-Mar-18	16-03-2018	24,527	Shares	See Below	6	18-03-2019	5 years	As per plan	43.90	22.61
DMI Retention Plan, 2018	01-Apr-18	16-03-2018	10,37,300	Shares	See Below	17	31-03-2019	5 years	As per plan	46.74	24.58
DMI ESOP Plan, Management Scheme	01-Oct-18	01-10-2018	5,86,222	Shares	See Below	5	30-09-2019	5 years	As per plan	62.21	95.49
DMI ESOP Plan, Legacy Scheme	01-Apr-18	16-03-2018	3,14,148	Shares	See Below	5	31-03-2019	5 years	As per plan	13.29	24.68
DMI Employment Contract 2020	16-Feb-21	09-04-2020	23,068	Shares	See Below	1	15-02-2024	5 years	As per plan	113.34	113.34
DMI Retention Bonus (NBFC Apr'20)	21-Apr-20	09-04-2020	5,80,000	Shares	See Below	17	31-03-2021	5 years	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	01-Apr-20	09-04-2020	3,88,873	Shares	See Below	44	31-03-2021	5 years	As per plan	116.36	116.35
DMI Variable2019-20	01-Jan-21	09-04-2020	9,865	Shares	See Below	2	31-03-2021	5 years	As per plan	113.34	113.34
DMI Finance Plan 2021	01-Apr-21	21-06-2021	6,33,708	Shares	See Below	63	01-04-2022	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	01-Apr-21	21-06-2021	4,30,000	Shares	See Below	24	01-04-2024	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	21-06-2021	37,23,000	Shares	See Below	98	27-07-2024	5 years	As per plan	112.86	112.86
DMI Employment Contract 2021-22 - I	18-Nov-21	21-06-2021	2,222	Shares	See Below	1	18-11-2024	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - II	20-Dec-21	21-06-2021	12,210	Shares	See Below	1	20-12-2022	5 years	As per plan	209.00	209.00
DMI ESOP Plan, Management - III	15-Jan-22	21-06-2021	18,315	Shares	See Below	1	15-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - III	28-Jan-22	21-06-2021	6,106	Shares	See Below	1	28-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - IV	01-Mar-22	21-06-2021	7,326	Shares	See Below	1	01-03-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - V	07-Mar-22	21-06-2021	3,664	Shares	See Below	1	07-03-2025	5 years	As per plan	209.00	209.00
Total			98,97,403			338					

Graded vesting period*

*1 As per the vesting schedule 30% Options will vest on completion of one year, 30% on completion of two year and 40% on completion of three year from the grant date respectively.

*2. For Schemes Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21) and DMI Employment Contract 2021-22 - IV options will vest on completion of three years from the grant dates respectively.

Exercise period **

** Exercise Period in respect of any Vested Options means the period commencing on the date of Vesting of such Option and expiring on the fifth anniversary of Option Grant Date.

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II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	2,97,496	-	24,527	0.96
DMI Retention Plan, 2018	14,83,942	-	3,96,642	-	10,87,300	1
DMI ESOP Plan, Management Scheme	6,04,396	-	18,174	-	5,86,222	1.5
DMI ESOP Plan, Legacy Scheme	18,27,677	-	15,13,529	-	3,14,148	2
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	-	6,33,708	-	-	6,33,708	4.01
Founder Circle Award 2020-21 (NBFC Apr'21)	-	4,30,000	-	-	4,30,000	4.01
Founder Circle Award 2020-21 (NBFC Jul'21)	-	37,23,000	-	-	37,23,000	4.33
DMI Employment Contract 2021-22 - I	-	2,222	-	-	2,222	4.64
DMI Employment Contract 2021-22 - II	-	12,210	-	-	12,210	4.73
DMI ESOP Plan, Management - III	-	18,315	-	-	18,315	4.8
DMI Employment Contract 2021-22 - III	-	6,106	-	-	6,106	4.83
DMI Employment Contract 2021-22 - IV	-	7,326	-	-	7,326	4.92
DMI Employment Contract 2021-22 - V	-	3,664	-	-	3,664	4.94
Total	73,40,508	48,36,551	22,79,656	-	98,97,403	

March 31, 2021

II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	-	-	3,22,023	2
DMI Retention Plan, 2018	15,50,442	-	-	66,500	14,83,942	2
DMI ESOP Plan,Management Scheme	7,23,961	-	-	1,19,565	6,04,396	3
DMI ESOP Plan, Legacy Scheme	18,27,677	-	-	-	18,27,677	2
DMI ESOP PLAN 2019	7,72,377	-	-	83,717	6,88,660	3
DMI ESOP RETENTION PLAN 2019	17,00,000	-	-	3,00,000	14,00,000	4
DMI Employment Contract 2020	-	23,068	-	-	23,068	5
DMI Retention Bonus (NBFC Apr'20)	-	5,80,000	-	-	5,80,000	4
DMI Finance ESOP Plan 2020	-	3,99,387	-	-	3,99,387	4
DMI Variable2019-20	-	11,355	-	-	11,355	5
Total	68,96,500	10,13,810	-	5,69,803	73,40,508	

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III. Computation of fair value

For undertaking fair valuation of ESOP, the 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	35.49	30.00%	7.35%	-	35.49	38.86
DMI ESOP RETENTION PLAN 2019	101.87	30.00%	6.50%	-	100.00	40.47
DMI ESOP PLAN 2018	22.81	15.00%	8.00%	-	43.90	0.57
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	24.66	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
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%	6.50%		205.00	18.82
DMI Employment Contract 2021-22 - II	209.00	30.00%	6.60%		209.00	18.82
DMI ESOP Plan, Management - III	209.00	30.00%	6.60%		209.00	81.89
DMI Employment Contract 2021-22 - III	209.00	30.00%	6.60%		209.00	81.89
DMI Employment Contract 2021-22 - IV	209.00	30.00%	6.60%		209.00	81.89
DMI Employment Contract 2021-22 - V	209.00	30.00%	6.60%		209.00	81.89

The Holding Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Group. The fair market value of such instruments as at the grant date is recognized as an expense over the period in which the related services are received. Accordingly, fair value of the stock options and restricted stock units is amortized on a straight-line basis over the vesting period of the stock options. The Holding Company recognise share based compensation in the Statement of Profit and Loss with a corresponding credit to Share based payments outstanding reserve.

The Holding Company has entered into Cost chargeback agreement with the granter and post this agreement the Holding Company would be required to pay the difference of market price of the options and exercise price of the options exercised by the employees of the Holding Company, to DMI Housing Finance Private Limited. Therefore, in the current year, share based compensation expense has been recognized in the Statement of Profit and Loss with a corresponding credit to a liability account via Share Options Outstanding Account disclosed under notes.

During the Financial year 2018-19, as per the scheme options were granted to employees of the Granter. The Holding Company has recognised the expense of Rs. 0.70 millions (previous year: Rs. 2.16 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 9.99 millions as on March 31,2022 (Rs. 9.29 Millions as on March 31, 2021)
The employees' compensation expense for Stock options during the year ended 31 March 2022 amounts to Rs. 72.86 millions (previous year Rs. 75.78 millions).

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40 Retirement benefit plan

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Group in a fund under the control of trustees.

The total expense charged to income during the current year Rs. 24.13 millions (previous year: Rs. 24.56 millions) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Provision for unfunded Gratuity for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (IndAS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the "Other comprehensive income".

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation:	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	24.67	17.44
Current service cost	9.65	7.05
Interest cost	1.64	1.17
Benefits Paid	(0.22)	-
On acquisition of Subsidiary	0.12	-
Remeasurement (gain) / loss	(1.30)	(2.45)
Balance at the end of the year	**34.56**	**23.22**

Amount recognised in the statement of profit and loss is as under:	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	9.65	7.05
Interest cost on defined benefit obligation	1.64	1.17
Net impact on profit before tax	**11.29**	**8.23**

Amount recognised in the other comprehensive income:	Year ended March 31, 2022	Year ended March 31, 2021
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(2.84)	-
Experience adjustments	1.55	(2.45)
Impact on other comprehensive income	**(1.30)**	**(2.45)**

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Holding company's plans are shown below:

	Year ended March 31, 2022	Year ended March 31, 2021
Economic assumptions		
Discount rate	7.18%	5.76%
Future salary increases	6.00%	5.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

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

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Holding Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

Sensitivity analysis for gratuity liability	Year ended March 31, 2022	Year ended March 31, 2021
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(2.50)	(1.85)
Impact due to decrease of 0.50 %	2.75	2.05
Impact of the change in salary increase		
Impact due to increase of 0.50 %	2.72	2.01
Impact due to decrease of 0.50 %	(2.49)	(1.85)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
0 to 1 year	0.54	0.36
1 to 2 year	0.57	0.40
2 to 3 year	0.60	0.41
3 to 4 year	0.64	0.46
4 to 5 year	0.65	0.49
5 to 6 year	0.71	0.39
6th year onwards	30.21	21.44
Total expected payments	33.91	23.94

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41 Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures

(a) List of related parties

Holding company
DMI Limited

Associate
DMI Alternatives Private Limited

Fellow subsidiaries
DMI Consumer Credit Private Limited
DMI Housing Finance Private Limited

Key managerial personnel (KMP)

Name	Designation
Mr. Yuvraja Chanakya Singh	Joint Managing Director
Mr. Shivashish Chatterjee	Joint Managing Director
Mrs. Bina Singh	Director
Mrs. Jayati Chatterjee	Director
Mr. Gurcharan Das	Director
Mr. Gaurav Burman	Director
Mr. Tamer Amr	Director
Mr. Nipender Kochhar	Director
Mr. Jatinder Bhasin	Chief Financial Officer (upto 17 March 2021)
Mr. Krishan Gopal	Chief Financial Officer (w.e.f. 18 March 2021)
Mr. Sahib Pahwa	Company Secretary

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
K2VZ, Partnership Firm
DMI Alternative Investment Fund
Quickwork Technologies Private Limited

Entity with Significant Influence
Ganesha Fixed Income Limited

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Housing Finance Private Limited	Cost share recovery	59.70	70.18
	Share based payment	0.70	2.16
	Interest on loan	-	20.78
	Repayment of loan	-	700.00
	Reimbursement of expense paid by related party on behalf of entity	3.67	-
DMI Alternative Investment Fund	Repayment of loan	-	800.00
	Interest expenses	-	23.75
DMI Alternatives Private Limited	Cost share recovery	60.70	33.46
	Share based payment	0.13	0.74
	Reimbursement of expense incurred on behalf of related party	5.49	-
Ganesha Fixed Income Limited	Interest expenses	11.39	11.36

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Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Limited	Issue of equity shares	-	9,419.31
Mr. Sahib Pahwa	Loan / advance given	-	0.48
	Interest income	0.03	0.05
	Remuneration	5.18	4.12
	Loan received back	0.51	0.09
Mrs. Bina Singh	Sitting fee	0.12	0.10
	Share Warrants Expense	0.77	-
Mr. Yuvraja Chanakya Singh	Remuneration	35.20	57.10
	Post employment benefits	0.36	0.36
	Issue of equity shares	-	119.39
Mr. Shivashish Chatterjee	Remuneration	26.31	56.38
	Post employment benefits	0.36	0.36
	Issue of equity shares	-	119.39
Mrs. Jayati Chatterjee	Sitting fees	0.22	0.18
	Share Warrants Expense	0.77	-
Mr. Gurcharan Das	Sitting fees	0.12	0.10
	Share Warrants Expense	0.77	-
Mr. Nipender Kochhar	Sitting fees	0.22	0.16
	Share Warrants Expense	0.77	-
Mr. Jatinder Bhasin	Remuneration	NA	10.92
Mr. Krishan Gopal	Remuneration	9.35	0.67
Quickwork Technologies Private Limited	Other Expenses	1.08	-
Paromita Chatterjee	Consultancy Fee	0.70	-
K2VZ	Issue of equity shares	-	133.13

(c) Outstanding balances with related parties:

Name of related party	Nature of transaction	As at March 31, 2022	As at March 31, 2021
Mr. Sahib Pahwa	Loan receivable	-	0.48
DMI Alternatives Private Limited	Employee Stock Option Plan recoverable	4.96	4.89
DMI Housing Finance Private Limited	Employee Stock Option Plan payable	9.99	9.29
	Corporate Guarantee	4,329.99	4,447.17
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	134.00	134.00

Others

During the Year ended March 31, 2022, the Holding Company has bought back certain non convertible debentures from Mr. Sahib Pahwa for consideration of Nil (previous year: Rs 0.64 millions).

During the Year ended March 31, 2022, the Holding Company has bought back certain non convertible debentures from DMI Housing Finance Private Limited for consideration of Nil (previous year: Rs 126.48 millions)

(d) Disclosure pursuant to Schedule V of Clause A (2) of Regulation 53(f) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015:

There is no loan or advance given by the Company to either Holding company or Subsidiary companies.

42 (a) **Impact of COVID 19 pandemic**

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Holding Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Holding Company believes that the factors considered are reasonable under the current circumstances. The Holding company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the dynamic nature of the pandemic situation, these estimates are subjects to uncertainty and may be affected by severity and duration of the pandemic. In the event, the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial value of the financial assets, the financial position and performance of the Holding Company.

42 (b) The date on which the Code on Social Security, 2020(the "Code") relating to employee benefits during employment benefits will come into effect is yet to be notified and the related rules are yet to be finalized. The Group will evaluate the code and its rules, assess the impact if any, and account for the same when they become effective.

42 (c) In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset).The impairment allowances under Ind AS 109 made by the Holding Company exceeds the total Provision required under IRACP (including Standard Asset provisioning),as at March 31, 2022 and accordingly no amount is required to be transferred to impairment reserve.

42 (d) In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, during the previous year, the Holding Company estimated the said amount and made provision for refund/adjustment in these financial statements.

42 (e) Disclosures required as per Master directions and circulars issued by Reserve Bank of India (RBI) have been given in standalone financial statements of the holding company, therefore same have not been reproduced here.

43 During the previous year, in compliance with Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020), the Holding Company granted the benefit amounting to Rs. 99.47 millions to its borrowers.

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44 Capital

The Holding Company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, Reserve Bank of India (RBI).

(i) Capital management:

Objective

The Holding Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Holding Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Holding Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Holding Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks which include credit, liquidity and interest rate.

The Holding Company endeavours to maintain its Capital Risk Adequacy Ratio (CRAR) higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

	As at March 31, 2022	As at March 31, 2021
CRAR - Tier I capital (%)	57.46%	59.03%
CRAR - Tier II capital (%)	3.85%	1.17%
CRAR (%)	61.31%	60.20%

I) Capital to risk assets ratio (CRAR)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021
i) CRAR (%)	Adjusted Tier I and Tier II Capital	Risk weighted assets	61.31%	60.20%
ii) CRAR- Tier I capital (%)	Adjusted Tier I Capital	Risk weighted assets	57.46%	59.03%
iii) CRAR- Tier II capital (%)	Adjusted Tier II Capital	Risk weighted assets	3.85%	1.17%
iv) Amount of subordinated debt raised as Tier-II capital			-	-
v) Amount raised by issue of Perpetual Debt Instruments			-	-

Basis of Ratios

(Amount in Rs. crores)

	Year ended 31st March 2022	Ended 31st March 2021
a. Adjusted Tier I Capital	3,571.77	3,340.19
b. Adjusted Tier II Capital	239.45	65.95
Total Capital	3,811.22	3,406.14
c. Risk weighted assets	6,216.50	5,658.16

The CRAR is computed as per the Master Direction - Non Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with the circular issued by Reserve Bank of India on March 13, 2020.

In order to achieve this overall objective, the Holding Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

45 **Contingent liabilities and commitments (to the extent not provided for)**

a. Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
Contingent liabilities not provided in respect of:		
i Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	4,329.99	4,447.17
ii Guarantees issued by bankers on behalf of Company	-	-
Claims against the Company not acknowledged as debt		
i. Income tax (note 2)	3.15	2.26

Notes :

1 The Holding Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 4,329.99 million as at March 31, 2022 (March 31,2021: Rs. 4,447.17 million).

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

b. Commitments

	As at March 31, 2022	As at March 31, 2021
Commitments for acquisition of property, plant and equipment (net of advances)	18.25	-

c. Others

In case of un-disbursed loan facility, the Holding Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn capital commitment for the Group are amounting to Nil.

The Group has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.

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

46 **Reconciliation of liabilities arising from financing activities**

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2020	22,797.57	2,824.83	266.45	25,888.85
Cash flows:				
- Repayment	(4,750.00)	(2,355.33)	(55.18)	(7,160.51)
- Proceeds	500.00	700.00	-	1,200.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	4.12	11.69	-	15.81
- Others	-	-	31.02	31.02
March 31, 2021	18,551.69	1,181.19	242.29	19,975.17
Cash flows:				
- Repayment	-	(1,077.84)	(57.10)	(1,134.94)
- Proceeds	-	8,850.00	-	8,850.00
Non-cash				
- Deferrement / amortisation of upfront fees and other charges	0.58	12.18	-	12.76
Additions during the year	-	22.54	75.08	97.62
Others	-	-	16.09	16.09
March 31, 2022	18,552.27	8,988.07	276.36	27,816.70

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47 Leases

The Holding Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.
The Holding Company also has certain lease with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognized and the movements during the period are as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	210.71	248.67
Additions made during the year	75.08	-
Amortisation on right of use assets	50.84	37.96
Balance at the end of the year	234.95	210.71

The carrying amounts of lease liabilities and the movements during the period are as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	242.29	266.45
Additions made during the year	75.08	-
Interest accretion for the year	16.09	31.03
Payments made during the year	(57.10)	(55.18)
Balance at the end of the year	276.36	242.29

The effective interest rate for lease liabilities is 10%, with maturity ranging to 2030-31

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2022	March 31, 2021
Depreciation expense in respect of right-of-use asset	50.84	37.96
Interest expense in respect of lease liabilities	16.09	24.54
Expense relating to short-term leases (included on other expenses)	4.58	12.65
Total amount recognised in profit or loss	71.51	75.15

The Holding Company's total cash outflows for leases was Rs 57.10 Millions during the year (previous year Rs 48.10 Millions)

Maturity Analysis of Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Upto 1 month	2.65	3.15
Over 1month to 2 month	2.03	3.24
Over 2 months to 3 months	3.02	3.36
Over 3 months to 6 months	11.66	10.24
Over 6 months to 1 year	24.02	19.35
Over 1year to 3 years	60.24	85.36
Over 3 years and upto 5 years	72.70	54.53
Over 5 years	78.04	63.07
Total	276.36	242.29

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48 Tax expenses

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are :

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	676.15	348.13
Deferred tax credit	(457.54)	(256.80)
Income tax expense reported in the statement of profit or loss	**218.61**	**91.33**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Group is 25.168% (March31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	805.21	321.10
Income-tax rate	25.168%	25.168%
Expected tax expense	**202.66**	**80.81**
Expenditure disallowed	503.00	465.68
Income not subject to tax	-	(0.14)
Deductions	(487.62)	(458.23)
Tax for earlier years	0.57	3.21
Tax expense	**218.61**	**91.33**

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49 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	6,829.64	-	**6,829.64**	2,533.91	-	2,533.91
Bank balance other than cash and cash equivalents	294.66	-	**294.66**	267.21	-	267.21
Trade receivables	61.03	-	**61.03**	62.11	-	62.11
Loans	30,117.80	16,683.35	**46,801.15**	16,971.61	14,126.12	31,097.73
Investments	7,256.57	3,033.00	**10,289.57**	15,718.40	2,832.65	18,551.05
Other financial assets	1,582.52	27.56	**1,610.08**	2,017.09	20.26	2,037.35
Non- financial assets						
Current tax assets (net)	296.13	-	**296.13**	232.47	-	**232.47**
Deferred tax assets (net)	-	880.14	**880.14**	-	633.87	**633.87**
Property, plant and equipment	-	104.64	**104.64**	-	116.23	**116.23**
Right to use assets	50.30	184.65	**234.95**	46.26	164.45	**210.71**
Intangible assets	-	31.41	**31.41**	-	22.80	**22.80**
Capital work in progress	-	23.27	**23.27**	-	-	-
Goodwill	-	253.53	**253.53**	-	-	-
Other non- financial assets	204.91	-	**204.91**	94.66	8.61	**103.27**
Assets held for sale	143.88	-	**143.88**	189.85	-	**189.85**
	46,837.44	21,221.55	68,058.99	38,133.57	17,924.99	**56058.56**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	94.79	-	**94.79**	110.75	-	**110.75**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	697.23	-	**697.23**	416.80	-	**416.80**
B) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	-	**379.87**	228.80	-	**228.80**
Debt securities	3,200.00	15,352.27	**18,552.27**	-	18,551.69	**18551.69**
Borrowings (other than debt securities)	3,397.96	5,590.11	**8,988.07**	357.93	823.26	**1.181.19**
Liabilities against leased assets	44.99	231.37	**276.36**	39.33	202.96	**242.29**
Other financial liabilities	162.87	-	**162.87**	158.33	-	**158.33**
Non financial liabilities						
Provisions	1.82	84.78	**86.60**	57.50	-	**57.50**
Other non-financial liabilities	103.51	-	**103.51**	48.06	-	**48.06**
Equity						
Equity share capital	-	6,567.00	**6,567.00**	-	6,436.58	**6436.58**
Other equity	-	32,121.29	**32,121.29**	-	28,626.57	**28626.57**
Non Controlling Interest	-	29.13	**29.13**	-	-	-
	8,083.04	59,975.95	68,058.99	1,417.50	54,641.06	**56058.56**

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50 Risk management

Introduction and risk profile

The Holding Company is a private finance company in India and is regulated by the Reserve Bank Of India (RBI). In view of the intrinsic nature of operations, the Group is exposed to a variety of risks, which can be broadly classified as liquidity risk, credit risk, interest rate risk and equity price risk. It is also subject to various regulatory risks.

Risk management structure and policies

As a lending institution, Group is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Group 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Group's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and Risk Management Committee. Group gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value.

(A) Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Group manages liquidity risk by measuring and managing net funding requirements using a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates which has been adopted as a standard tool. The Group's Assets-Liability Committee (ALCO) is responsible for determining the appropriate mix of available funding sources utilized to ensure Group liquidity is managed prudently and appropriately. With regard to the process of liquidity management, ALCO also considers the current economic and market environment, near-term loan growth projections and long-term strategic business decisions.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities

March 31, 2022	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,829.64	1,000.00	-	-	-	-	-	-	6,8[illegible]9.64
Bank balance other than Cash and cash equivalents	-	-	23.00	266.20	5.25	-	-	-	2[illegible]4.66
Trade receivables	61.03	-	-	-	-	-	-	-	[illegible]1.03
Loans	6,240.85	4,372.93	4,640.01	9,885.18	10,992.12	19,405.33	3,795.16	1,119.45	60,9[illegible]1.03
Investments	6,350.66	21.77	1,408.67	141.89	235.50	1,769.25	1,255.73	3,118.03	14,3[illegible]1.55
Other financial assets	1,187.67	0.45	208.59	111.62	74.20	-	-	25.55	1,6[illegible]0.08
Financial liabilities									
Payables	474.14	229.76	20.45	33.06	306.55	70.37	-	-	1,1[illegible]1.89
Debt securities	-	282.12	145.34	390.82	3,832.44	16,445.46	-	-	21,0[illegible]4.18
Borrowings (other than debt securities)	188.82	138.73	489.51	972.76	1,897.40	4,950.11	1,194.70	-	9,8[illegible]0.03
Lease liabilities	4.96	5.11	6.02	18.24	36.29	117.96	95.76	90.34	3[illegible]4.74
Other financial liabilities	6.40	117.82	38.61	-	-	-	-	-	1[illegible]2.87

March 31, 2021	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	2,533.91	-	-	-	-	-	-	-	2,5[illegible]3.91
Bank balance other than Cash and cash equivalents	-	-	-	261.91	5.30	-	-	-	2[illegible]7.21
Trade receivables	62.11	-	-	-	-	-	-	-	[illegible]2.11
Loans	4,116.83	2,770.01	2,512.07	5,776.66	6,300.73	15,486.81	3,364.92	785.95	41,1[illegible].01
Investments	15,138.10	48.00	558.32	108.14	188.15	737.38	1,770.71	1,440.20	19,9[illegible].90
Other financial assets	247.23	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,0[illegible]7.35
Financial liabilities									-
Payables	0.62		305.36						3[illegible].98
Debt securities	-	282.12	65.26	389.97	781.17	21,171.39			22,6[illegible].[illegible]2
Borrowings (other than debt securities)	29.06	26.91	150.18	154.56	281.90	555.47	131.25	-	1,3[illegible].33
Lease liabilities	5.17	5.29	9.32	15.97	30.04	117.07	72.63	71.44	3[illegible].77
Other financial liabilities	100.50	140.74	50.69	254.50	88.90	-	-	-	6[illegible].33

(B) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Group. The Group's credit risk management framework is categorized into following main components:

- Senior management's oversight
- Organizational structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the Group's senior management to approve the Group's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Group's overall business strategy and the same is reviewed every quarter by the senior management.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate risk management department independent of loan origination function. The risk management department performs the function of credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

The carrying amount of financial assets represents the maximum credit exposure.

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Analysis of risk concentration

The following table shows the risk concentration by industry for the financial assets of the Group:

March 31, 2022	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	6,829.64	-	-	-	-	-	-	6,829.64
Bank balance other than Cash and cash equivalents	294.66	-	-	-	-	-	-	294.66
Loans - Corporate (contractual amount of loans)	-	-	11,197.09	-	1,665.93	613.91	-	13,476.94
Loans - Consumer loans (contractual amount of loans)	-	-	-	525.07	-	32,799.14	-	33,324.21
Trade receivables	-	-	-	-	-	51.03	-	51.03
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	365.32	65,8[illegible]6.13

March 31, 2021	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	7,533.01	-	-	-	-	-	-	7,533.01
Bank balance other than Cash and cash equivalents	367.21	-	-	-	-	-	-	367.21
Loans - Corporate (contractual amount of loans)	-	-	9,047.64	-	2,538.08	703.54	-	12,289.26
Loans - Consumer loans (contractual amount of loans)	-	-	-	434.74	-	18,689.61	-	19,124.35
Receivables	7.47	-	-	-	-	54.64	-	62.11
Investments	16,072.26	-	1,048.07	-	1,410.49	-	20.23	18,551.05
Other financial assets	-	-	-	-	-	2,016.18	21.17	2,037.35
Total	18,880.85	-	10,095.71	434.74	3,946.57	21,463.97	41.40	54,865.24

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2022	As at March 31, 2021	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	9,597.79	17,056.49	Equity price
Credit substitutes	2,204.56	2,087.58	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	18,552.27	18,551.69	Interest rate
Borrowings (other than debt securities)	8,988.07	1,423.48	Interest rate

(i) Interest rate risk:-

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Group's lending, funding and investment activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Group's net interest income, while a long term impact is on the Group's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Due to the very nature of financing, the Group is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Group. Interest rate risk arises due to:

i) Changes in regulatory or market conditions affecting the interest rates

ii) Short term volatility

iii) Prepayment risk translating into a reinvestment risk

iv) Real interest rate risk.

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Interest rate risk exposure

	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	8,965.53	1,181.19
Fixed Rate Borrowings	18,574.81	18,551.69

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss:

Particulars	Effect on net profit	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Decrease in 50 basis points	25.13	7.34
Increase in 50 basis points	(25.13)	(7.34)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Group's VOCI equities at 31 March 2022 would have increased equity by Rs. 272.01 millions (Previous year: Rs 190.35 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Group's FVTPL equities at 31 March 2022 would have increased profits by Rs. 726.57 millions (Previous year: Rs. 1499.62 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

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51 Financial instruments

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation governance

The Group's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted fair value estimates are also reviewed and challenged by the risk and finance functions.

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	6,005.68	-	-	6,005.68	-	14,776.92	-	14,776.92
Equity shares - Mcnally Bharat Engineering Company Limited	-	-	-	-	25.12	-	-	25.12
Security receipts of Alchemist XV Trust	-	194.11	-	194.11	-	194.11	-	194.11
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	631.43	631.43	-	-	-	-
Optionally convertible debentures of Azad Engineering Private Limited	-	-	434.44	434.44	-	-	-	-
Total financial investment measured at FVTPL	6,005.68	194.11	1,065.87	7,265.66	25.12	14,971.03	-	14,996.15
Financial investments measured at FVOCI								
Credit Substitutes								
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	514.24	514.24	-	-	497.68	497.68
Loans	-	-	1,148.13	1,148.13	-	-	826.47	826.47
Non-convertible debentures - unquoted	-	-	367.90	367.90	-	-	142.83	142.83
Units of DMI AIF Special Opportunities Scheme	-	10.10	-	10.10	-	11.01	-	11.01
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	-	34.50	34.50
Equity instruments								
DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	-	3.27	3.27
Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	-	226.20	226.20
Flash Electronics Private Limited	-	-	793.97	793.97	-	-	304.40	304.40
Total financial investments measured at FVOCI	-	10.10	3,077.87	3,087.97	-	11.01	2,035.35	2,046.36
Total financial assets measured at fair value	6,005.68	204.21	4,143.74	10,353.63	25.12	14,982.04	2,035.35	17,042.51

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Valuation techniques

Financial instruments measured at FVTPL (other than security receipts of Alchemist XV Trust and CCPS)

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds are valued at NAV of respective investment and are classified as Level 1. Security receipts are measured based on Net Asset Value (NAV) and are classified as Level 2.

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case either based on net worth of investee company or Valuation report issued by independent Valuer using discounted cash flow method, are classified as Level 3.

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.

B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.

C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

Area delivered in past across segments

Financial strength (of the entity and group)

Debt track record (debt repaid in past, current & past delinquency)

Stages of various projects of developer

Asset cover (Cashflow and Security)

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2022 and March 31, 2021

Movements in Level 3 financial instruments measured at fair value

	Equity Shares	Compulsorily Convertible Debentures*	Optionally Convertible Debentures*	Credit Substitutes*	NCD Unquoted*	Units of DMI AIF Special Opportunities Scheme	Security receipts of Alchemist XV Trust	Security receipts of Alchemist XV Trust	Total
At April 1, 2020	479.36	773.17	-	419.58	120.76	10.80	194.11	34.50	2,032.28
Purchase	-	-	-	46.45	21.82	-	-	-	68.27
Change in classification	-	-	-	-	-	-	-	-	-
Sales / settlements	-	2.57	-	(42.98)	(18.11)	-	-	-	(58.52)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	101.23	-	74.63	18.35	0.21	-	-	194.42
Gains / loss for the period recognized in the other comprehensive income	54.51	(50.50)	-	-	-	-	-	-	4.01
At March 31, 2021	533.87	826.47	-	497.68	142.82	11.01	194.11	34.50	2,240.46
Purchase	-	180.00	420.00	100.00	230.60	-	-	-	930.60
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	103.41	48.72	-	-	-	-	-	152.13
Sales / settlements	-	(107.65)	(34.28)	(83.44)	(5.52)	(1.07)	-	-	(231.96)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	441.32	-	-	-	0.17	-	-	441.49
Gains / loss for the period recognized in the other comprehensive income	479.23	336.01	-	-	-	-	-	-	815.24
At March 31, 2022	1,013.10	1,779.56	434.44	514.24	367.90	10.11	194.11	34.50	4,347.95

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

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Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's level 3 assets and liabilities.

March 31, 2022	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Consumer Credit Private Limited	3.37	Net Worth of Investee Company	Instrument price
Compulsorily convertible debentures of Azad Engineering Private Limited	631.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	514.24	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	793.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	1,148.13	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	367.90	Discounted Projected Cash Flows	Discount margin / spread
Total	3,674.80		

March 31, 2021	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Consumer Credit Private Limited	3.27	Net Worth of Investee Company	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	497.68	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	304.40	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	826.47	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	142.83	Discounted Projected Cash Flows	Discount margin / spread
Total	2,000.85		

Quantitative analysis of significant unobservable inputs

Instrument price

Given the nature of this approach, there is no range of prices used as inputs.

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

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Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of a 10% movement in the significant unobservable input.
All changes, except for financial instruments at FVOCI would be reflected in Statements of Profit and Loss.

Particulars	March 31, 2022		March 31, 2021	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible debentures of Azad Engineering Private Limited	63.14	(63.14)	-	-
Total (A)	63.14	(63.14)	-	-
Instruments measured through FVTOCI				
Equity shares in DMI Consumer Credit Private Limited	0.34	(0.34)	0.33	(0.33)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.58	(21.58)	22.62	(26.07)
Credit Substitutes	2.38	(2.38)	7.17	(7.17)
Non-convertible debentures - unquoted	36.79	(36.79)	14.28	(14.28)
Equity shares in Flash Electronics Private Limited	79.40	(79.40)	30.44	(30.44)
Compulsory convertible debentures	114.81	(114.81)	82.65	(82.65)
Total (B)	255.30	(255.30)	157.50	(157.50)
Total (A+B)	318.44	(318.44)	157.50	(157.50)

Fair value of financial instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	March 31, 2022		March 31, 2021	
Financial assets:	Fair value	Carrying value	Fair value	Carrying value
Loans and advances				
Corporate loans	13,120.52	13,120.52	12,151.09	12,151.09
Investments – at amortised cost				
Credit Substitutes	758.25	758.25	1,171.88	1,171.88
Financial liabilities:				
Debt securities	18,553.00	18,553.00	18,553.00	18,553.00

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Borrowings - At Amortised cost
These includes Term Loans. The fair values of such liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Investments - At amortised cost
These includes Credit substitutes & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and liabilities other than above
The carrying value of assets and liabilities other than investments and borrowings at amortised cost represents a reasonable approximation of fair value

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52 (a) Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.

52 (b) The consolidated financial statements for the year ended March 31, 2021 were audited by previous statutory auditors Walker Chandiok and Co LLP.

52 (c) There are no event observed after the reported period which have an impact on the Group's operations.

52 (d) The financial statements were approved for issue by Board of Directors on May 20 , 2022.

52 (e) Disclosure on significant ratios:

Particulars	Description	As at March 31, 2022	As at March 31, 2021
Net profit margin	Net profit after tax / total revenue from operations	6.34%	3.50%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	40.47%	35.20%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	0.31%	1.51%
Asset cover ratio (no. of times)	Amount of secured assets / Secured debt	1.79	1.45
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	86.13%	62.36%

53 Other Statutory Information

1 During the current financial year, the Group has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

2 No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2022.

3 There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961.

4 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5 The Group has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

6 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

7 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

9 There are no transactions of undisclosed income not recorded in the books of accounts.

10 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

11 The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

12 The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

13 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

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

DMI FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

54 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity in the Group	Net assets .i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DMI Finance Private Limited	93.35%	38,480.87	93.0%	577.80	99.91%	627.54	96.48%	1,205.34
Subsidiaries								
DMI Capital Private Limited	0.95%	369.91	8.4%	52.07	-0.01%	-0.05	4.16%	52.02
DMI Management Services Private Limited	0.05%	21.18	0.5%	3.40	0.00%	-	0.27%	3.40
Appnit Technologies Pvt Ltd	0.65%	252.95	-1.4%	-8.45	0.10%	0.63	-0.63%	-7.83
Associate (Investment as per equity method)								
DMI Alternatives Private Limited	0.00%	-	-0.6%	-3.57	0.00%	-	-0.29%	-3.57
Total	100.00%	39,124.91	100.0%	621.24	100.00%	628.12	100.00%	1,249.36
Adjustments arising out of consolidation		(436.62)		(38.21)		0.00		(38.20)
Total		38,688.29		583.03		628.12		1,211.15

55 Segment information

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

56 Events occurring after reporting date

There are no significant events after the reporting period which require any adjustment or disclosure in the financial statements.

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

Vinesh Jain
Partner
Membership No. 087701

Place: New Delhi
Date: 20 May 2022

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

For and on behalf of the Board of Directors of
DMI Finance Private Limited
CIN: U65929DL2008PTC182749

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place: New York
Date: 20 May 2022

Yuvraja Chanakya Singh
(Jt. Managing Director)
DIN: 02601179

Place: New Delhi
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place: New Delhi
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: New Delhi
Date: 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI