S.R. BATLIBOI & ASSOCIATES 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 Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of DMI Finance Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

S.R. Batliboi & Associates LLP, Mumbai, Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
(a)Transition to Ind AS accounting framework *(as described in Note 31 of the Consolidated Ind AS financial statements))*	
In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Group has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Group had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS. The transition has involved significant change in the Group's policies and processes relating to financial reporting, including generation of reliable and supportable information. Further, the management has exercised significant judgement for giving an appropriate effect of the first-time adoption principles of Ind AS 101, as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under Master Directions issued by Reserve Bank of India (RBI). In view of the complexity and the resultant risk of a material misstatement arising from an error or omission in correctly implementing the principles of Ind AS at the transition date, which could result in a misstatement of one or more periods presented in these Ind AS financials statements, this has been an area of key focus in our audit.	• Read the Ind AS impact assessment performed by the management to identify areas to be impacted on account of Ind AS transition. • Understood the financial statement closure process and the additional controls (including IT controls) established by the Holding company for transition to Ind AS. • Read changes made to the accounting policies in light of the requirements of the new framework. • Assessed the judgement exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets and liabilities existing as at transition date. • Assessed the judgement applied by the Holding Company in determining its business model for classification of financial assets. • Performed test of details on the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Assessed the judgements applied by the Holding Company in respect of areas where the accounting treatment adopted, or the disclosures made under the new accounting framework were inconsistent with the extant RBI directions. • Assessed disclosures included in the Ind AS financial statements in accordance with the requirements of Ind AS 101, with respect to the previous periods presented.
(b) Impairment of financial instruments (including provision for expected credit losses) *(as described in Note 4 of the Consolidated Ind AS financial statements)*	
The Holding Company's impairment provision for financial assets (designated at amortized cost and fair value through other comprehensive income) is based on the expected credit loss approach laid down under 'Ind AS 109 Financial Instruments'. Ind AS 109 requires the Holding Company to	• Our audit procedures included considering the Holding Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>exercise significant judgement while applying principles and other requirements of the standard in addition to the identification and adequacy of provision for impairment of its financial instruments using the expected credit loss (ECL) approach, which involves an estimation of probability-weighted loss on the 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 its loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:
• Defining thresholds for 'significant increase in credit risk' and 'default'.
• Grouping of loans under homogenous pools to determine probability of default on a collective basis and calculation of past default rates.
• Determining effect of less frequent past events on future probability of default.
• Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans.
Given the complexity and high degree of judgement involved in the estimation of expected credit losses, we have considered this area as a key audit matter.</td><td>• Evaluated the management's approach of ECL estimation, including the assumptions used for grouping and staging of loan portfolio, for determination of probability of default (PD) and loss given default (LGD).
• Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.
• Compared input data used for determining PD and LGD rates with the underlying books of accounts and records and tested the arithmetical accuracy of the computation.
• Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.</td></tr>
<tr><td colspan="2">IT systems and controls</td></tr>
<tr><td>The financial accounting and reporting systems of the Holding Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.

Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.

Therefore, due to the pervasive nature and complexity of the IT environment, the</td><td>We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors:

• Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.
• Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.
• Tested the Holding Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.
• In addition to the above, we tested the design and operating effectiveness of certain automated and</td></tr>
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Key audit matters	How our audit addressed the key audit matter
assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	IT dependent manual controls that were considered as key internal controls over financial reporting. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Other Information

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

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms 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 associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group and of its associates are

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also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 associates 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 Ind AS 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 associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 or business activities within the Group and its associates of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements 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 Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect 2 Subsidiary Companies whose Ind AS financial statements include total assets of Rs.341.97 Million as at March 31, 2019 and total revenues of Rs.180.24 Million and net cash outflows of Rs.5.49 Million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) 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 subsidiaries and associates as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;

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

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

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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(e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2019, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and its associate, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate Company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries companies and associate for the year ended March 31, 2019;

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

i. The Group and its associates does not have any pending litigations which would impact its consolidated financial position;

ii. The Group and its associates did not have any material foreseeable losses in long-term contracts during the year ended March 31, 2019;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate during the year ended March 31, 2019.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty
Partner
Membership Number: 121411

UDIN: 19121411AAAAHS2870
Mumbai
September 11, 2019

Annexure 1 referred to in paragraph (f) under the heading "Reporting on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of DMI Finance Private Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of DMI Finance Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary Companies, which are companies incorporated in India, as of that date. The provisions for reporting on internal financial control under clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 do not apply to DMI Alternatives Private Limited (Associate Company) and accordingly it is excluded for the purpose of opinion on internal controls over financial reporting.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary Companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements in case of its subsidiary companies, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2019:

The Holding Company had implemented a new IT application for its general ledger during the year and the transactions for its consumer loan portfolio are uploaded from the loan management IT application to the new general ledger IT application through a batch upload procedure at the end of each day. As per the internal control designed, a periodic reconciliation of loan balances as per the loan management IT application and the general ledger IT application are required to be performed and any reconciling items noted have to be recorded in a timely manner. However, during the year reconciliation items noted were not cleared on a timely basis, which could potentially result in the consumer loan portfolio balance as per general ledger IT application not being reconciled with the loan management IT application on a timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidate financial statements were operating effectively as of March 31, 2019,

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based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of DMI Finance Private Limited and this report does not affect our report dated September 11, 2019, which expressed an unqualified opinion on those financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty
Partner
Membership Number: 121411

UDIN : 19121411AAAAHS2870
Mumbai
September 11, 2019

DMI Finance Private Limited
Consolidated Balance Sheet as at March 31, 2019
(All Amount in Rs. In millions, except for share data unless stated otherwise)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	2	475.15	702.66	247.60
Bank balance other than Cash and cash equivalents	2	14.70	14.38	11.38
Trade Receivables	3	25.43	10.14	13.42
Loans	4	21,201.48	13,477.68	9,655.42
Investments	5	9,648.36	3,964.76	5,162.35
Other financial assets	6	677.57	94.21	6.79
Non- financal assets				
Current tax assets		118.50	10.26	294.43
Deferred tax assets (net)		123.37	504.87	561.66
Property, plant and equipment	7(a)	70.34	80.22	49.58
Other Intangible assets	7(b)	5.96	2.60	2.22
Other non- financial assets	8	62.01	56.91	54.19
Assets held for sale	9	533.68	1,442.54	421.58
	TOTAL	32,956.55	20,361.23	16,480.62
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	10			
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		97.49	56.48	20.87
Debt Securities	11	5,782.28	3,588.70	1,853.73
Borrowings (other than Debt Securities)	12	4,471.72	4,651.85	3,398.79
Other financial liabilities	13	259.03	682.22	500.33
Non financial liabilities				
Current tax liabilities		-	3.11	286.03
Provisions	14	19.81	17.84	6.86
Other Non-financial liabitilies	16	192.72	221.06	176.02
Equity				
Equity share capital	17	5,487.41	3,244.18	3,244.18
Other equity	18	16,646.09	7,845.68	6,948.93
Equity attributable to the shareholders of the company		22,133.50	11,089.86	10,193.11
Non-controlling interest		-	50.11	44.88
Total Equity		22,133.50	11,139.97	10,237.99
	TOTAL	32,956.55	20,361.23	16,480.62
Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: 11-09-19

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

DMI FINANCE PVT. LTD. NEW DELHI

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

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

Jatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: New Delhi
Date: 11/09/2019

DMI Finance Private Limited
Consolidated Statement of profit and loss for the year ended March 31, 2019
(All Amount in Rs. In millions, except for share data unless stated otherwise)

Particulars	Notes	For the year March 31, 2019	For the year March 31, 2018
Revenue from operations			
Interest Income	19	3,803.70	2,518.63
Fees and commission Income	20	172.74	143.60
Net gain on fair value changes	21	175.51	57.14
Total revenue from operations		**4,151.95**	**2,719.37**
Other Income	22	5.09	10.49
Total Income		**4,157.04**	**2,729.86**
Expenses			
Finance Costs	23	1,193.69	776.77
Fees and commission expense	24	215.09	11.80
Impairment on financial instruments	25	540.75	193.30
Employee Benefits Expense	26	687.42	321.37
Depreciation, amortization and impairment	7(a) & 7(c)	26.62	16.42
Other expenses	27	384.26	227.74
Total Expenses		**3,047.83**	**1,547.40**
Profit before tax		**1,109.21**	**1,182.46**
Tax Expense:			
(1) Current Tax	15	359.51	418.09
(2) Deferred Tax		(23.99)	(6.09)
Profit for the year		**773.69**	**770.46**
Add: Share in Profit of associate		39.56	7.19
Net Profit after Taxes and Share of Profit of Associate		**813.25**	**777.65**
Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		0.55	0.53
Income tax effect		(0.16)	(0.16)
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value Changes		(0.60)	181.27
Income tax effect		7.00	(62.73)
Other Comprehensive Income , net of income tax		**6.80**	**118.90**
Total Comprehensive Income for the year		**820.05**	**896.56**
Earnings per equity share	28		
Basic (Rs.)		1.72	1.72
Diluted (Rs.)		1.71	1.72
Nominal value per share (Rs.)		10	10
Summary of significant accounting policies			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: 11-09-19

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

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

Jatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

DMI FINANCE PVT. LTD. NEW DELHI

Place: New Delhi
Date: 11/09/2019

DMI Finance Private Limited
Consolidated Cash flow statement for the year ended March 31, 2019
(All Amount in Rs. In millions, except for share data unless stated otherwise)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		**1,109.21**	**1,182.46**
Adjustments for			
Depreciation and amortisation		19.97	16.42
Interest Expense		1,155.52	753.59
Interest Accrued on bank deposits		(0.32)	(3.03)
Net gain on fair value changes		(177.37)	(55.40)
Fair Value Change through OCI		24.05	(181.27)
Profit on sale of investment in equity shares		(4.98)	-
Profit on sale of investment in mutual funds		-	(1.74)
Employee stock option expense		28.78	0.18
Loss on sale of property, plant and equipment		-	0.08
Other Comprehensive Income		(23.50)	181.56
Provision for employee benefits		-	2.11
Interest accrual on borrowings		-	21.97
Interest accrual on loan & advances		-	(10.86)
Provision for expected credit allowance		-	2.03
Income from NCDs or loan		(12.37)	(18.04)
Operating profit before working capital changes		**2,118.99**	**1,890.06**
Changes in working capital			
Increase in financial and other assets		(10,009.70)	(3,920.21)
Increase/(decrease) in Other Non financial assets		0.82	(1.47)
Increase/ (decrease) in financial and other liabilities		(529.25)	(239.88)
Increase in non financial assets		885.91	(1,035.48)
Increase(decrease) in non financial liabilities		(5.89)	(13.73)
Increase/(decrease) in provisions		(2.01)	1.97
Decrease/(Increase) in trade receivable		(7.08)	3.29
Increase/(decrease) in trade payable		16.21	(5.00)
Total of changes in working capital		**(9,650.99)**	**(5,210.51)**
Direct taxes paid		(461.25)	(414.28)
Net cash flow from / (used in) operating activities (A)		**(7,993.24)**	**(3,734.73)**
B Cash flow from investing activities:			
Inflow (outflow) on account of :			
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets		(32.41)	(49.26)
Sale of Property, plant and equipment (including capital work-in-progress)		-	0.64
Purchase of Money Market Instruments		(14,850.00)	(5,980.23)
Purchase of Investments		(2,169.62)	(1,902.00)
Sale of Money Market Instruments		10,123.01	6,074.61
Interest on Investment Debenture		21.38	18.04
Sale of Investments		2,473.88	2,835.59
Net cash flow from / (used in) investing activities (B)		**(4,433.75)**	**997.39**
C Cash flow from financing activities:			
Issue of equity shares (including share premium)		9,190.81	420.27
Proceeds from Non Convertible Debentures		6,050.00	1,980.00
Proceeds from Bank Borrowings		1,900.00	3,563.48
Proceeds from Cash Credit		(42.83)	372.77
Repayment of Debt Securities		(2,230.00)	-
Repayment of Bank Borrowings		(1,437.53)	(2,689.70)
Interest paid		(1,020.32)	(454.42)
Net Cash flow from / (used in) financing activities (C)		**12,410.13**	**3,192.40**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(16.87)**	**455.06**
Cash and cash equivalents as at the beginning of the year		492.01	247.60
Cash and cash equivalents at the end of the year	2	**475.15**	**702.66**
Components of cash and cash equivalents			
Cash on hand		0.07	0.09
Balance with banks			
In current accounts	2	475.08	702.57
Total cash and cash equivalents		**475.15**	**702.66**
Summary of significant accounting policies	1		

For disclosure of financing transactions that do not require the use of cash and cash equivalents, refer note 12

Note:-
1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped/ reclassified wherever applicable.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sarvesh Warty
per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: 11-09-19

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

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

Jatinder Bhasin
(Chief Financial Officer)

Sahil Pahwa
(Company Secretary)
M. No. A24789

DMI FINANCE PVT. LTD. NEW DELHI

Place: New Delhi
Date: 11/09/2019

DMI Finance Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2019
(All Amount in Rs. in millions, except for share data unless stated otherwise)

a. Share Capital

Particulars	No. of Shares	Amount
Balance as on April 1 2017	**32,44,18,138**	**3,244.18**
Shares issued during the year	-	-
Balance as on March 31 2018	**32,44,18,138**	**3,244.18**
Shares issued during the year	22,43,22,954	2,243.23
Balance as on March 31 2019	**54,87,41,092**	**5,487.41**

b. Other Equity

Particulars	Equity Component of CCD	Equity Component of CCPS	Reserves and surplus							Total
			Regulatory Reserve u/s 45 (1C) of RBI Act	Special Reserve U/s 36(I)(viii) of the Income Tax Act, 1961	Share Based Payments Reserves	Securities Premium Reserve	Capital Redemption Reserve	Minority interest	Retained Earnings	
Balance as on April 1 2017	1,899.27	282.57	452.07	2.04	-	2,029.30	81.21	44.88	2,202.47	**6,993.81**
Profit for the year	-	-	-		-	-	-		777.65	**777.65**
Other Comprehensive Income for the year	-	-	-		-	-	-		118.90	**118.90**
Total Comprehensive Income for the year	-	-	-		-	-	-	-	**896.55**	**896.55**
Add: Issue of Equity Shares						0.02				**0.02**
Add: Issue of Compulsorily Convertible Preference Shares						26.16				**26.16**
Add: Compulsorily Convertible Preference Shares Equity portion on addition										**-**
Less: On account of Compulsorily Convertible Preference Shares split into equity and liability						(26.16)				**(26.16)**
Transfer to special reserve	-	-	131.93	2.47	-	-	-		(134.40)	**-**
Share Based Payments	-	-	-		0.18	-	-		-	**0.18**
Transfer to Minority interest								5.23		**5.23**
Balance as on March 31 2018	**1,899.27**	**282.57**	**584.00**	**4.51**	**0.18**	**2,029.32**	**81.21**	**50.11**	**2,964.62**	**7,895.79**
Profit for the year	-	-	-		-	-	-		813.25	**813.25**
Other Comprehensive Income for the year	-	-	-		-	-	-		6.80	**6.80**
Total Comprehensive Income for the year	-	-	-		-	-	-		**820.05**	**820.05**
Transfer to special reserve	-	-	147.31	(4.51)	-	-	-		(147.31)	**(4.51)**
Share Based Payments	-	-	-		27.86	-	-		-	**27.86**
Reversal of deferred tax on conversion of CCDs									446.97	**446.97**
Reversal of deferred tax on conversion of CCPSs									55.69	**55.69**
On conversion of CCDs	(1,899.27)	-	-		-	2,507.28	-		(1,387.22)	**(779.21)**
On conversion of CCPSs	-	(282.57)	-		-	140.88	-		146.94	**5.25**
Add: Issue of Equity Shares	-	-	-		-	8,228.31	-		-	**8,228.31**
Minority interest reversal								(50.11)		**(50.11)**
Balance as on March 31 2019	**-**	**-**	**731.31**	**-**	**28.04**	**12,905.79**	**81.21**	**-**	**2,899.74**	**16,646.09**

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: 11-09-19

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

Shivashish Chatterjee
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Jatinder Bhasin
(Chief Financial Officer)

Sahil Pahwa
(Company Secretary)
M. No. A24789

Place: New Delhi
Date: 11/09/2019

DMI FINANCE PVT. LTD.
NEW DELHI

1. Corporate Information

DMI Finance Private limited (the "Holding Company" or "Parent Company") is a Company domiciled in India as a private limited company. The Company is registered with the Reserve Bank of India ('RBI') as a non-deposit accepting non-banking financial company or NBFC-ND under the Reserve Bank of India Act, 1934. The Company is engaged in the business of providing loans to corporates and other lending activities. The Holding company together with its subsidiaries listed in Note 2(c)(ii) are hereinafter collectively referred to as the 'the Group'.

Information on subsidiaries included in consolidated financial statements is given in Note 2(C)(iii).

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The consolidated financial statements have been prepared on a going concern basis. The Group uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP"). These financial statements for the year ended March 31, 2019 are the first the Company has prepared in accordance with Ind AS. The Group has applied Ind AS 101 - First time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in note no. 31.

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

b) Presentation of financial statements

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

A. The normal course of business
B. The event of default
C. The event of insolvency or bankruptcy of the Company and/or its counterparties

c) Principles of Consolidation

i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with the accounting policies of the Parent Company.

The Parent Company holds 100% shareholding in DMI Capital Private Limited and DMI Management Private Limited and 97.04% of the shareholding till 19th of December,2018 in DMI Housing Finance Private Limited and 49% of the shareholding in DMI Alternatives Private Limited and there are no contractual arrangements which rebute the control of the Parent Company over its subsidiaries.

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DMI FINANCE PVT. LTD. NEW DELHI

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using the uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, to the extent possible unless otherwise stated.

The standalone financial statements of the Holding Company and the subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

The financial statements of subsidiaries acquired during the year are included in the consolidated statement of profit and loss from the effective date of acquisition. Intra-group balances and transactions and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

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

Name of the Company	Country of Incorporation	Proportion of ownership as at reporting date	Consolidated as
DMI Housing Finance Private Limited	India	5.02%	Subsidiary till 19th December,2018
DMI Capital Private Limited	India	100.00%	Subsidiary
DMI Management Private Limited	India	100.00%	Subsidiary
DMI Alternatives Private Limited	India	49.00%	Associate

3. Summary of significant accounting policies

3.1 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 periods.

A. Impairment loss on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at FVTPL, enquires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

• The Group's model, which assigns Probability of Defaults (PDs)
• The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Long Term ECL (LTECL) basis
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs
• Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at Default (EADs) and Loss Given Default (LGDs)

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• Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

B. Business Model Assumption

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

C. 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.

D. 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.

E. Fair value measurement

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 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.

F. Effective interest rate method

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Group's base rate and other fee income/expense that are integral parts of the instrument.

3.2 Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account.

3.3 Recognition of income and expense

a) Interest income

The Group earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment

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options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

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

b) Interest expense

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses, provided these are incremental costs that are directly related to the issue of a financial liability.

c) Other charges and other interest

Interest including penal interest is recognized on realization basis.

d) Dividend income

Dividend income is recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when shareholders approve the dividend.

3.4 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The Group has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognized as per terms of the lease agreement in the Statement of Profit and Loss.

3.5 Property, plant and equipment (PPE) and Intangible assets

PPE

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebate are deducted in arriving at the purchase price.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and Loss when the assets is derecognized.

Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.6 Depreciation and amortization

Depreciation

Depreciation on fixed assets, otherwise stated, is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management. The Group has used the following rates to provide depreciation on its fixed assets.

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	Useful lives estimated by the management (years)	Rate of Depreciation
Furniture and fixtures	10	25.89%
Computers	3	63.16%
Vehicles	8	31.23%
Office equipment	5	45.07%

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.

Individual assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized on a WDV basis over a period of five years from date when the assets are available for use. The amortization period and the amortization method for intangible assets are reviewed at the end of each financial year.

3.7 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.

3.8 Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements.

3.9 Retirement and other employee benefits

The Group's obligation towards employee benefits has been recognized as follows:

Provident fund
The Group contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted on an accrual basis and recognized in the statement of profit and loss.

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Gratuity

The Group's net obligation in respect of the gratuity benefit is calculated by estimating the amount of the future benefit that the employee earned in return for their services in the current and prior periods, that benefit is discounted to determine its present value, and the fair market value of any plan asset, if any, is deducted. The present value of the obligation under such benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method.

Compensated absences (Other long and short-term benefits)

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

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 if any (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 period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

3.10 Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which during the specific period gives future economic benefits in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is highly probable that future economic benefits associated with it will flow to the Group.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

3.11 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.12 Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13 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.

3.13.1 Financial Assets

3.13.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

3.13.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt Instuments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

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- Debt instruments and equity instruments at fair value through profit and loss account (FVTPL).
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)

3.13.1.3 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.

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.

3.13.1.4 Debt Instruments at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and fair value changes relating to market movements selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. 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.

3.13.1.5 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

3.13.1.6 Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other

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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 P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

3.13.1.7 Equity Instruments and Mutual funds

Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss Statement.

3.13.2 Financial Liabilities

3.13.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortized 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

3.13.2.2 Loans 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. This category generally applies to borrowings.

3.13.2.3 Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.13.2.4 Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.14 Impairment of financial assets

3.14.1 Overview of the ECL principles

The Group records the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, if applicable. Equity instruments are not subject to impairment under IND AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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Both LTECLs and 12mECLs are calculated on individual and collective basis, depending on the nature of the underlying portfolio of financial instrument.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition.

Based on the above process, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

3.14.2 The calculation of ECLs

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - *The Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an exposure at a default date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For loan commitments, the ECL is recognised within Provisions.

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3.14.3 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.

3.15 Collateral repossessed

The Group's policy is to sell repossessed. 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.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery or in process of pursuing recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit and loss account.

3.17 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

- Level 3 financial instruments – include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

3.18 Dividend

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

3.19 Foreign Currency Translation

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Foreign currency transactions and balances

Initial recognition:
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences:
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

3.20 Functional and presentation currency

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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2 Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents			
Cash on hand	0.07	0.09	0.02
Balance with Banks			
- In Current Accounts	475.08	702.57	247.58
	475.15	702.66	247.60
Bank balances other than above			
Deposit with original maturity of more than 12 months	-	-	-
Deposit with original maturity of more than 3 months less than 12 months	14.70	14.38	11.38
	14.70	14.38	11.38
Total	489.85	717.04	258.98

For the purpose of statement of Cash Flows, cash and cash equivalent comprise the following:
Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents			
Cash on hand	0.07	0.09	0.02
Balance with Banks			
- In Current Accounts	475.08	702.57	247.58
	475.15	702.65	247.60

3 Trade Receivables

Particulars	As at March 31 , 2019	As at March 31 , 2018	As at April 1, 2017
Secured considered good	25.43	10.14	13.42
Total	25.43	10.14	13.42

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4 Loans

Particulars	31-Mar-19			31-Mar-18			01-Apr-17		
	Amortised Cost	Through other comprehensive income	Total	Amortised Cost	Through other comprehensive income	Total	Amortised Cost	Through other comprehensive income	Total
Term Loans									
Corporate Loans	10,730.02	917.41	**11,647.43**	10,370.68	429.62	**10,800.31**	9,120.17	51.81	9,171.98
Housing Loan & Loan Against Property	-	-	-	1,698.99	-	**1,698.99**	630.05	-	630.05
Consumer Loans	**10,142.46**	-	**10,142.46**	1,245.94	-	**1,245.94**	25.64	-	25.64
Total (A) Gross	**20,872.48**	**917.41**	**21,789.90**	**13,315.61**	**429.62**	**13,745.24**	**9,775.87**	**51.81**	**9,827.68**
Less: Impairment loss allowance	586.20	2.21	**588.40**	266.50	1.06	**267.55**	171.77	0.49	172.26
Total (A) Net	**20,286.28**	**915.21**	**21,201.49**	**13,049.12**	**428.57**	**13,477.68**	**9,604.09**	**51.32**	**9,655.42**
Secured by tangible assets and intangible assets	10,730.02	917.41	11,647.43	12,069.67	429.62	12,499.29	9,750.22	51.81	9,802.04
Unsecured	10,142.46	-	10,142.46	1,245.94	-	1,245.94	25.64	-	25.64
Total (B) Gross	**20,872.48**	**917.41**	**21,789.90**	**13,315.61**	**429.62**	**13,745.24**	**9,775.87**	**51.81**	**9,827.68**
Less: Impairment loss allowance	586.20	2.21	588.40	266.50	1.06	267.55	171.77	0.49	172.26
Total (B) Net	**20,286.28**	**915.21**	**21,201.49**	**13,049.12**	**428.57**	**13,477.68**	**9,604.09**	**51.32**	**9,655.42**
Loans in India									
Others	20,872.48	917.41	21,789.90	13,315.61	429.62	13,745.24	9,775.87	51.81	9,827.68
Total (C) Gross	**20,872.48**	**917.41**	**21,789.90**	**13,315.61**	**429.62**	**13,745.24**	**9,775.87**	**51.81**	**9,827.68**
Less: Impairment loss allowance	586.20	2.21	588.40	266.50	1.06	267.55	171.77	0.49	172.26
Total (C-I) Net	**20,286.28**	**915.21**	**21,201.48**	**13,049.12**	**428.57**	**13,477.68**	**9,604.09**	**51.32**	**9,655.42**

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

(ii) Term loans granted by the Group 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 pledge of shares/debenture units, other securities.

(iii) Loans sanctioned but un-disbursed amount is Nil in FY 2018-19 (FY 2017-18 Rs 827.89 million , FY 2016-17 Rs 395.20 millions)
(iv) Includes Loans to Associate for Rs 61.73 millions in FY 2017-2018
(v) The Group has granted certain loans to staff amounting to Rs. 8.45 millions in FY 2018-19 (FY 2017-2018 Rs 11.91 millions, FY 2016-2017 Rs 28.65 millions)
(vi) Corporate loan portfolio includes non-convertible debentures of Rs. 2066.42 millions in FY 2018-19 (FY 2017-2018 Rs. 1654.81 millions, FY 2016-2017 Rs. 1612.37 millions).

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4.1 Impairment allowance for loans and advances to borrowers

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

An analysis of Risk Categorization of loans and advances in relation to Retail (Consumer) & Corporate lending (except Credit Substitutes) is, as follows:

Risk Categorization	March 31, 2019							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very Good	9,533.88	-	-	9,533.88	10,269.10	-	-	10,269.10
Good	-	447.22	-	447.22	-	813.96	-	813.96
Non-performing	-	-	161.36	161.36	-	-	564.37	564.37
Grand Total	**9,533.88**	**447.22**	**161.36**	**10,142.46**	**10,269.10**	**813.96**	**564.37**	**11,647.43**

Risk Categorization	March 31, 2018							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very Good	1,212.70	-	-	1,212.70	9,594.56	-	-	9,594.56
Good	-	26.59	-	26.59	-	913.04	-	913.04
Non-performing	-	-	6.66	6.66	-	-	292.71	292.71
Grand Total	**1,212.70**	**26.59**	**6.66**	**1,245.94**	**9,594.56**	**913.04**	**292.71**	**10,800.31**

Risk Categorization	March 31, 2018			
	Home loan & Loan against property			
	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,678.49	-	-	1,678.49
Medium Risk	-	18.26	-	18.26
High Risk	-	-	2.23	2.23
Grand Total	**1,678.49**	**18.26**	**2.23**	**1,698.99**

An analysis of Risk Categorization of Investments in relation to Credit Substitutes, is as follows:

Risk Categorization	March 31, 2019			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Very Good	3,025.46	-	-	3,025.46
Good	-	352.13	-	352.13
Non-performing	-	-	-	-
Grand Total	**3,025.46**	**352.13**	**-**	**3,377.59**

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Risk Categorization	March 31, 2018			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Very Good	1,847.17	-	-	1,847.17
Good	-	1,364.38	-	1,364.38
Non-performing	-	-	-	-
Grand Total	**1,847.17**	**1,364.38**	**-**	**3,211.55**

An analysis of changes in the gross carrying amount in relation to Retail (Consumer) & Corporate lending(except Credit Substitutes) is, as follows:

Particulars	March 31, 2019							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,212.70	26.59	6.66	1,245.94	9,594.56	913.04	292.71	10,800.31
New Assets originated (net)	8,919.08	(17.12)	(5.44)	8,896.52	1,013.63	(169.08)	2.58	847.12
Transfers from Stage 1	(619.26)	463.25	156.01	-	(415.71)	340.10	75.61	-
Transfers from Stage 2	16.33	(25.50)	9.17	-	76.62	(270.10)	193.48	-
Transfers from Stage 3	5.03	-	(5.03)	-	-	-	-	-
Gross carrying amount closing balance	9,533.88	447.22	161.36	10,142.46	10,269.10	813.96	564.37	11,647.43

Particulars	March 31, 2018							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	25.64	-	-	25.64	9,160.79	-	11.19	9,171.98
New Assets originated (net)	1,220.30	-	-	1,220.30	1,628.32	-	-	1,628.32
Transfers from Stage 1	(33.25)	26.59	6.66	-	(281.51)	-	281.51	-
Transfers from Stage 2	-	-	-	-	(913.04)	913.04	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,212.70	26.59	6.66	1,245.94	9,594.56	913.04	292.71	10,800.31

Particulars	March 31, 2018			
	Housing Loan & Loan against Property			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	630.49	4.37	-	634.86
Disbursements	1,230.42	-	-	1,230.42
Repayments	-166.07	-0.22	-	-166.30
Transfers from Stage 1	-16.91	14.68	2.23	-
Transfers from Stage 2	0.56	-0.56	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	1,678.49	18.26	2.23	1,698.98

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An analysis of changes in the gross carrying amount of Investments in relation to Credit Substitutes is, as follows:

Particulars	March 31, 2019			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,832.40	1,364.38	-	3,196.77
New Assets originated (net)	836.48	(655.67)	-	180.81
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	356.58	(356.58)	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	3,025.46	352.13	-	3,377.59

Particulars	March 31, 2018			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,204.05	-	-	4,204.05
New Assets originated (net)	(992.50)	-	-	(992.50)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	(1,364.38)	1,364.38	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	1,847.17	1,364.38	-	3,211.55

An analysis of changes in the ECL allowances in relation to Retail (Consumer) & Corporate lending (except Credit Substitutes) is, as follows:

Particulars	March 31, 2019							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**17.71**	**0.39**	**6.66**	**24.76**	**88.52**	**35.70**	**112.54**	**236.76**
New Assets originated (net)	172.98	(0.32)	(5.44)	**167.22**	51.88	67.01	40.78	159.66
Transfers from Stage 1	(166.42)	10.41	156.01	-	(30.82)	3.60	27.22	-
Transfers from Stage 2	0.05	(9.22)	9.17	-	1.04	(70.69)	69.65	-
Transfers from Stage 3	5.03	-	(5.03)	-	-	-	-	-
ECL allowance closing balance	**29.36**	**1.26**	**161.36**	**191.98**	**110.62**	**35.62**	**250.19**	**396.42**

Particulars	March 31, 2018							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	0.14	-	-	**0.14**	**159.11**	-	11.19	**170.30**
New Assets originated (net)	24.62	-	-	**24.62**	66.46	-	-	66.46
Transfers from Stage 1	(7.05)	0.39	6.66	-	(101.34)	-	101.34	-
Transfers from Stage 2	-	-	-	-	(35.70)	35.70		-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance closing balance	**17.71**	**0.39**	**6.66**	**24.76**	**88.52**	**35.70**	**112.54**	**236.76**

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Particulars	March 31, 2018			
	Housing Loan & Loan against Property			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	1.67	0.14	-	1.81
ECL on assets added/ provision created	3.39	-	-	3.39
Assets derecognised or repaid(including write offs/ Write back)	-0.36	-0.08	-	-0.44
Transfers from Stage 1	-0.04	0.21	1.12	1.28
Transfers from Stage 2	0.00	-0.01	-	-0.01
Transfers from Stage 3	-	-	-	-
ECL allowance closing balance	**4.66**	**0.26**	**1.12**	**6.03**

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes is, as follows:

Particulars	March 31, 2019			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	21.81	108.43	-	130.24
	-	-	-	-
Net Movement during the year	10.30	(59.79)	-	(49.49)
Transfers from Stage 1	3.35	(3.35)	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance closing balance	35.45	45.29	-	80.75

Particulars	March 31, 2018			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	34.30	-	-	34.30
Net Movement during the year	96.01	-	-	96.01
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	(108.43)	108.43	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance closing balance	21.88	108.43	-	130.31

The contractual amount outstanding on financial assets that has been written off by the holding Company as on 31st March, 2019 and that are still subject to enforcement activity or by virtue of agreement was Rs.90.22 millions (March 31, 2018 - Nil; April 1, 2017 - Nil)

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4.2 Impairment assessment

The Group's impairment assessment and measurement approach is set out in the notes below. It should be read in conjunction with the Summary of significant accounting policies.

(i) Definition of default and cure

The Group considers a financial instrument as defaulted and classifies it as Stage 3 (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 3 if there is significant deterioration in the loan collateral, 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 nonrepayment 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 3 for ECL calculations or whether Stage 2 is appropriate.

Classification of accounts into stage 2 is done on a conservative basis and typically accounts where contractual repayments are more than 30 days past due are classified in stage 2.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria are present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade once the account is cured, and whether this indicates there has been a significant reduction in credit risk.

(ii) Probability of default estimation process (PD)

DMI Finance Private Limited

It is an estimate of likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company and also the credit rating provided by the external rating agencies. For credit impaired assets, a PD of 100% has been applied.

DMI Housing Finance Private Limited

The Company considers a financial instrument as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The probability of default is an estimate of the likelihood of default over a given time horizon. The Company considers the PD default rate as per the CRISIL default study report.

(iii) Exposure at default

The outstanding balance as at the reporting date is considered as EAD by the Group. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

(iv) Loss given default (LGD)

DMI Finance Private Limited

The Company uses historical loss data/external agency LGD for identified homogenous pools for the purpose of calculating LGD. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

DMI Housing Finance Private Limited

The Company uses FIRB rates as presribed by Reserve Bank of India for calculation of loss given default

(v) Significant increase in credit risk

The Group evaluates the loans on an ongoing basis. The Group also assesses if there has been a significant increase in credit risk since the previously risk taking into consideration both qualitative and quantitative information . One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.
When estimating ECLs 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 intial recognition.

(vi) Forward looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL.

4.3 Collateral

In case of corporate term loans the holding company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).
In addition to the above mentioned collateral, the holding company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding/group companies, personal guarantees of promoters/partners/proprietors, hypothecation of receivables via escrow account and others
In its normal course of business, the Group does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments.
Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

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5 **Investments**

Particulars	Amortised Cost	At fair Value: Through Profit and Loss	At fair Value: Through other comprehensive income	Subtotal	Others	Total
As at March 31, 2019						
Money Market Instruments	-	4,942.71	-	4,942.71	-	4,942.71
Investments in Fellow Subsidiary / Associate equity						
- DMI Housing Finance Private Limited - Equity Shares	-	-	264.87	264.87	-	264.87
- DMI Alternatives Private Limited	-	-	-	-	49.39	49.39
Investment in Other Equity Shares						
Other Quoted Equity Investments	-	198.40	-	198.40	-	198.40
Other Unquoted Equity Investments	-	-	569.68	569.68	-	569.68
Alchemist XV Trust (Investment)	-	196.75	-	196.75	-	196.75
Dmi Alternative Investment Fund Special Opportunities Scheme	-	-	10.48	10.48	-	10.48
Compulsory Convertible Debentures	-	-	772.93	772.93	-	772.93
Investment in Debentures	119.24			119.24		119.24
Credit Substitutes	1,708.81	-	895.85	2,604.66	-	2,604.66
Total (A)	**1,828.05**	**5,337.86**	**2,513.80**	**9,679.72**	**49.39**	**9,729.11**
Investments outside India	-	-	-	-	-	-
Investments in India	1,828.05	5,337.86	2,513.80	9,679.72	49.39	9,729.11
Total (B)	**1,828.05**	**5,337.86**	**2,513.80**	**9,679.72**	**49.39**	**9,729.11**
Total (A) to tally with (B)	**1,828.05**	**5,337.86**	**2,513.80**	**9,679.72**	**49.39**	**9,729.11**
Less: Allowance for Impairment loss (C)	57.92	-	22.82	80.75	-	80.75
Total Net D = (A) -(C)	**1,770.12**	**5,337.86**	**2,490.98**	**9,598.98**	**49.39**	**9,648.36**

Particulars	Amortised Cost	At fair Value: Through Profit and Loss	At fair Value: Through other comprehensive income	Subtotal	Others	Total
As at March 31, 2018						
Money Market Instruments	-	1.37	-	1.37	-	1.37
Investments in Fellow Subsidiary / Associate equity						
- DMI Alternatives Private Limited	-	-	-	-	7.24	7.24
Investment in Other Equity Shares						
Other Quoted Equity Investments	-	188.64	-	188.64	-	188.64
Other Unquoted Equity Investments	-	-	326.76	326.76	-	326.76
Alchemist XV Trust (Investment)	-	200.85	-	200.85	-	200.85
Dmi Alternative Investment Fund Special Opportunities Scheme	-	-	-	-	-	-
Compulsory Convertible Debentures	-	-	-	-	-	-
Investment in Debentures	158.66	-	-	158.66	-	158.66
Credit Substitutes	2,138.25	-	1,073.30	3,211.55	-	3,211.55
Total (A)	**2,296.91**	**390.86**	**1,400.06**	**4,087.83**	**7.24**	**4,095.07**
Investments outside India	-	-	-	-	-	-
Investments in India	2,296.91	390.86	1,400.06	4,087.83	7.24	4,095.07
Total (B)	**2,296.91**	**390.86**	**1,400.06**	**4,087.83**	**7.24**	**4,095.07**
Total (A) to tally with (B)	**2,296.91**	**390.86**	**1,400.06**	**4,087.83**	**7.24**	**4,095.07**
Less: Allowance for Impairment loss (C)	93.23	-	37.08	130.31	-	130.31
Total Net D = (A) -(C)	**2,203.68**	**390.86**	**1,362.98**	**3,957.52**	**7.24**	**3,964.76**

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Particulars	Amortised Cost	At fair Value: Through Profit and Loss	At fair Value: Through other comprehensive Income	Subtotal	Others	Total
As at April 1, 2017						
Money Market Instruments	-	419.09	-	419.09	-	419.09
Investments in Fellow Subsidiary / Associate equity						
- DMI Alternatives Private Limited	-	-	-	-	0.05	0.05
Investment in Other Equity Shares						
- DMI Consumer Credit Private Limited	-	-	2.77	2.77	-	2.77
Other Unquoted Equity Investments	-	-	249.38	249.38	-	249.38
Alchemist XV Trust (Investment)	-	203.95	-	203.95	-	203.95
Compulsory Convertible Debentures	-	-	-	-	-	-
Investment in Debentures	117.37			117.37		117.37
Credit Substitutes	1,867.87	-	2,336.18	4,204.05	-	4,204.05
Total (A)	**1,985.23**	**623.04**	**2,588.33**	**5,196.60**	**0.05**	**5,196.65**
Investments outside India	-	-	-	-	-	-
Investments in India	1,985.23	623.04	2,588.33	5,196.60	0.05	5,196.65
Total (B)	**1,985.23**	**623.04**	**2,588.33**	**5,196.60**	**0.05**	**5,196.65**
Total (A) to tally with (B)	**1,985.23**	**623.04**	**2,588.33**	**5,196.60**	**0.05**	**5,196.65**
Less: Allowance for Impairment loss (C)	15.50	-	18.80	34.30	-	34.30
Total Net D = (A) -(C)	**1,969.73**	**623.04**	**2,569.53**	**5,162.30**	**0.05**	**5,162.35**

(i) The Holding Company received equity infusion in FY 2018-19. As a result of which, the undeployed funds were invested in mutual funds as a part of treasury function.

(ii) Credit substitutes are quoted non-convertible debentures and are part of financing activities. It has been disclosed in Investments as per the disclosure requirement under the Companies Act, 2013.

6 Other financial assets

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security Deposit	10.68	11.16	6.79
Others	666.89	83.05	-
Total	**677.57**	**94.21**	**6.79**

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7(a) Property, plant and equipment

Particulars	Furniture and fixtures	Computer	Vehicles	Office equipment	Lease hold improvements	Total
Cost						
At April 1, 2017	1.69	9.01	4.01	10.17	42.78	67.66
Additions	0.18	8.33	4.11	5.47	28.87	46.96
Disposals	-	-	-1.70	-0.05	-	-1.75
At March 31, 2018	**1.87**	**17.34**	**6.42**	**15.59**	**71.65**	**112.88**
Additions	0.08	7.07	-	4.41	15.42	26.98
Disposals	-	-	-	-	-	-
Adjustment	-0.35	-4.51	-	-4.29	-14.74	-23.89
At March 31, 2019	**1.60**	**19.91**	**6.42**	**15.70**	**72.33**	**115.97**
Depreciation						
At April 1, 2017	0.37	5.67	3.00	3.64	5.41	18.09
Charge for the year	0.21	4.27	1.00	3.87	6.22	15.58
Disposals	-	-	-0.99	-0.02	-	-1.01
At March 31, 2018	**0.58**	**9.94**	**3.01**	**7.49**	**11.64**	**32.66**
Charge for the year	0.26	9.03	1.07	5.22	9.71	25.29
Disposals	-	-	-	-	-	-
Adjustment	-0.24	-4.80	-	-3.48	-3.80	-12.32
At March 31, 2019	**0.60**	**14.17**	**4.08**	**9.23**	**17.55**	**45.62**
Net Block						
At March 31, 2018	**1.29**	**7.40**	**3.42**	**8.10**	**60.02**	**80.22**
At March 31, 2019	**1.00**	**5.74**	**2.34**	**6.48**	**54.78**	**70.34**

7(b) Intangible assets

	Software	Total
Gross block		
At April 1, 2017	3.43	3.43
Additions	1.23	1.23
At March 31, 2018	**4.66**	**4.66**
Additions	5.42	5.42
Adjustment	-1.45	-1.45
At March 31, 2019	**8.63**	**8.63**
Amortization		
At April 1, 2017	1.21	1.21
Charge for the year	0.85	0.85
At March 31, 2018	**2.06**	**2.06**
Charge for the year	1.33	1.33
Adjustment	-0.71	-0.71
At March 31, 2019	**2.68**	**2.68**
Net block		
At March 31, 2018	**2.60**	**2.60**
At March 31, 2019	**5.96**	**5.96**

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8 Other non- financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Advance	0.00	1.18	0.09
Prepaid Expenses	29.63	15.88	3.85
Balances with statutory / government authorities	31.09	25.64	16.21
Deferred Rent Expenses	0.10	0.10	0.10
Other Non Financial Assets	1.19	14.11	33.94
Total	62.01	56.91	54.19

9 Assets held for sale

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets under settlement	533.68	1,442.54	421.58

As a part of Group's risk management strategy, the Holding Company had entered into settlement agreement with some of its borrowers where the management felt that the borrower was under financial stress. The Settlements amounting to Rs 533.69 millions in FY 2018-19 (FY 2017-18 Rs 1442.54 millions) were done 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.

10 Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
Total outsanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outsanding dues of Creditors other than Micro Enterprises and Small Enterprises	97.49	56.48	20.87
Total	97.49	56.48	20.87

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2019, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

11 Debt Securities

At amortised cost	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured			
Non Convertible Debentures	5,782.28	1,980.00	-
Liability Component of CCDs	-	1,350.91	1,629.02
Liability Componenent of CCPS	-	257.79	224.71
Total gross (A)	5,782.28	3,588.70	1,853.73
Debt securities in India	5,782.28	3,588.70	1,853.73
Debt securities outside India	-	-	-
Total (B)	5,782.28	3,588.70	1,853.73

During the year, the Holding Company issued additional 6050 (Previous year-1980) secured, rated, redeemable non-convertible debentures (NCDs) of face value of Rs. 1.00 million/- each aggregating to Rs.6,050.00 millions to different investors/lenders at different coupon rates, accrued, compounded and payable quarterly/half yearly. The NCDs are secured as described in the Debenture Trust Deed to the extent required for maintaining the security cover of 1.33/1.25/1.10 times in respect of the outstanding principal amount to be maintained till the final settlement date.

During the year, the Holding Company fully repaid 1980 non-convertible debentures (NCDs) of face value of Rs 1.00 million/- each in FY 2018-19 (FY 2017-18 NIL)

The Holding Company had issued convertible preference shares which has been treated as Compound financial instrument and split accounting is followed. Dividend component is classified as "equity" and the Principal and conversion option is classified as "Liability". During the FY 2018-19, the conversion ratio has been fixed. As a result, the entire capital has been shown under "Equity Share Capital".

The Holding Company had issued convertible debentures which has been treated as Compound financial instrument and split accounting is followed. Interest component is classified as "liability" and the Principal and conversion option is classified as "Equity". During FY 2018-19 , These have been converted @ Rs 35 per equity share, and accordingly 100,290,881 shares were issued to the compulsorily convertable debenture (CCD) holders.

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11.1 Detail of Redeemable Non-Convertible Debentures

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of Interest p.a.	Face value	As at March 31, 2019	As at March 31, 2018	Secured/ Unsecured	Terms of redemption
1	INE604007027	09-05-2018	09-11-2019	10,00,000	1000	9.50%	1.00	750.00	-	Secured	On or prior to 18 months from the first allotment date. Principal repayment commenced from March 2019
2	INE604007035	15-06-2018	14-06-2020	10,00,000	1500	10.05%	1.00	1,489.37	-	Secured	To be redeemed 24 months from the date of allotment. Coupon payment to be made half yearly.
3	INE604007068	15-06-2018	14-06-2021	10,00,000	1000	10.05%	1.00	992.91	-	Secured	To be redeemed 36 months from the date of allotment. Coupon payment to be made half yearly.
4	INE604007084	05-10-2018	02-11-2019	10,00,000	1500	10.50%	1.00	1,500.00	-	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is half yearly.
5	INE604007076	03-10-2018	02-11-2019	10,00,000	500	10.50%	1.00	500.00	-	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is half yearly.
6	INE604007092	27-11-2018	26-12-2019	10,00,000	550	10.75%	1.00	550.00	-	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is half yearly.
7	INE604007019	08-05-2017	21-12-2018	10,00,000	1980	10.50%	1.00	-	1,980.00	Secured	-
							Total amount	5,782.28	1,980.00		

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

12 Borrowings

At amortised cost	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured			
Term loans			
From Banks	4,138.86	4,072.24	3,395.85
Cash Credit	332.86	579.61	2.93
Total gross (A)	**4,471.72**	**4,651.85**	**3,398.79**
Borrowings in India	**4,471.72**	**4,651.85**	**3,398.79**
Borrowings outside India	-	-	-
Total (B) to tally with (A)	**4,471.72**	**4,651.85**	**3,398.79**

Details of the Term Loans from Banks are as follows:

Bank Name	Repayment Details	Rate of Interest	Outstanding as on 31st March 2019	Outstanding as on 31st March 2018	Outstanding as on 1st April 2017
State Bank of India-II	14 quarterly installments	=>9%<12%	142.51	319.78	424.89
Karur Vysya Bank	14 quarterly installments	=>9%<12%	64.16	149.40	234.30
HDFC Bank	16 quarterly installments	=>9%<12%	205.72	280.25	-
SIDBI-II	14 quarterly installments	=>9%<12%	188.35	310.73	95.40
Kotak Mahindra Bank	12 quarterly installments	=>9%<12%	99.84	149.64	-
Union Bank of India	14 quarterly installments	=>9%<12%	389.58	494.14	-
Union Bank of India	14 quarterly installments	=>9%<12%	494.74	-	-
IFCI	14 quarterly installments	=>9%<12%	711.21	993.87	-4.50
AU Small Finance Bank	36 monthly installments	=>9%<12%	311.67	448.15	-
South Indian Bank	14 quarterly installments	=>9%<12%	255.87	297.80	213.04
Lakshmi Vilas Bank-III	12 quarterly installments	=>9%<12%	297.85	-	-
Bank of Baroda-I	16 quarterly installments	=>9%<12%	977.36	-	-
State Bank of India-I	14 quarterly installments	=>9%<12%	-	107.25	285.25
SIDBI-I	14 quarterly installments	=>9%<12%	-	142.27	213.01
Bank of India-I	14 quarterly installments	=>9%<12%	-	-	149.65
Bank of India-II	14 quarterly installments	=>9%<12%	-	-	198.75
IDBI	14 quarterly installments	=>9%<12%	-	-	254.87
Bank of Baroda-II	14 quarterly installments	=>9%<12%	-	-	213.50
Syndicate Bank	14 quarterly installments	=>9%<12%	-	-	391.23
Lakshmi Vilas Bank-I	14 quarterly installments	=>9%<12%	-	-	213.10
Lakshmi Vilas Bank-II	14 quarterly installments	=>9%<12%	-	-	494.00
State Bank of India-III	26 quarterly installments	=>9%<12%	-	189.91	19.37
Development Credit Bank	78 monthly installments	=>9%<12%	-	97.22	-
South Indian Bank - II	26 quarterly installments	=>9%<12%	-	91.82	-
Total			**4,138.85**	**4,072.24**	**3,395.85**

* Borrowings from bank are secured against hypothecation of loans given by the Group.

12.1 Change in liabilities arising from financing activities

Particulars	01-Apr-18	Cash flows	Other	31-Mar-19
Non Convertible Debentures	1,980.00	3,820.00	(17.72)	5,782.28
Term loans	3,693.29	462.47	(16.91)	4,138.85
Cash Credit	375.70	(42.83)	-	332.86
Liability component of compound instruments	1,608.70	-	(1,608.70)	-
Total	**7,657.69**	**4,239.64**	**(1,643.33)**	**10,254.00**

Particulars	01-Apr-17	Cash flows	Other	31-Mar-18
Non Convertible Debentures	87.98	1,980.00	91.69	2,159.66
Term loans	3,395.85	873.78	6.51	4,276.15
Cash Credit	2.93	373.58	(0.81)	375.70
Liability component of compound instruments	1,853.73	-	(245.03)	1,608.70
Total	**5,340.49**	**3,227.36**	**(147.64)**	**8,420.21**

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

13 Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due			
Interest Payable on CCD	1.79	460.21	414.87
Interest Payable on NCD	76.53	6.84	-
Interest Payable on Bank Borrowings	6.45	13.10	16.70
Other financial liabities	174.26	202.07	68.76
	259.03	**682.22**	**500.33**

14 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Gratuity	8.45	7.19	4.07
Earned leave	10.85	8.09	1.50
Others	0.51	2.56	1.29
	19.81	**17.84**	**6.86**

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15 Tax Expenses

The major components of income tax expense for the year ended March 31, 2019 & March 31, 2018
Profit or loss section

	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax:		
Current income tax charge	359.51	418.09
Deferred tax:		
Relating to origination and reversal of temporary differences	(23.99)	(6.09)
Income tax expense reported in the statement of profit or loss	**335.52**	**412.00**

OCI section

Deferred tax related to items recognised in OCI during the year:	(0.16)	(0.16)
	March 31, 2019	**March 31, 2018**
Net loss/(gain) on remeasurements of defined benefit plans	7.00	(62.73)
Income tax charged to OCI	**7.00**	**(62.73)**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	1,109.17	1,364.26
Indian statutory income tax rate	29.13%	34.13%
Expected Income Tax Expense	323.04	465.58
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
- Tax on Permanent difference	20.08	5.38
- Income taxable under different head	-7.42	-
- Others (net)	-7.03	3.92
Total income tax expense	**328.67**	**474.89**

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Deferred Tax liabilities / (assets)	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred tax liability			
Interest Component on CCD and CCPS	-54.58	-	-
Fair value of Financial Instruments	-41.27	-127.54	-92.74
Difference in income recognization on unrealized gain on MMF	-17.01	-0.08	-0.08
Deferred tax impact other adjustments	-	-	-0.00
Unamortized Fee/DSA/ Incentive Impact	-	-4.62	-2.19
Gross deferred tax liability	-112.86	-132.24	-95.01
Deferred tax asset			
Provision for Stage I & Stage II loans	-	27.33	20.07
Provision for gratuity and Leave availment	6.08	4.84	1.87
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	4.22	3.66	2.68
ESOPs	-	0.06	-
Fair value of Financial Instruments	-	468.30	580.16
ECL	194.86	110.25	51.61
Carry forward of Interest disallowed u.s 94B	29.69	21.15	-
Pre incorporation expeses	-	0.03	0.08
Business Losses	1.37	0.71	-
Unamortized Processing fee	-	0.78	0.20
Gross deferred tax asset	236.22	637.11	656.67
Net Deferred Tax Asset/(Liability)	123.37	504.87	561.66

16 Other Non-financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Dues Payable	19.63	69.44	57.02
Provision for Expenses	60.80	49.73	41.77
Others*	112.29	101.89	77.23
Total	192.72	221.06	176.02

* Others include Processing Fee refundable to borrowers, advance received from borrowers and amount collected from borrowers as Debt Service Reserve Account (DSRA).

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17 Equity share capital

Details of authorized, issued, subscribed and paid up share capital

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorized share Capital			
965,000,000 (P.Y. 430,000,000) Equity Shares of Rs. 10/- each	9,650.00	4,300.00	4,300.00
35,000,000 (P.Y. 35,000,000) Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- each	350.00	350.00	350.00
	10,000.00	4,650.00	4,650.00
Issued , Subscribed & Paid up capital			
Equity Share Capital			
520,957,897 (P.Y. 324,418,138) Equity shares of Rs. 10/- each	5,209.58	3,244.18	3,244.18
Sub Total (A)	5,209.58	3,244.18	3,244.18
Preference Share Capital			
15,481,134 B Series (P.Y. 15,481,134) compulsorily convertible preference shares of Rs. 10 each	154.81	-	-
6,749,135 C Series (P.Y. 6,749,135) compulsorily convertible preference shares of Rs. 10 each	67.49	-	-
247,468 D Series (P.Y. 247,468) compulsorily convertible preference shares of Rs. 10 each	2.47	-	-
224,971 E Series (P.Y. 224,971) compulsorily convertible preference shares of Rs. 10 each	2.25	-	-
899,885 F Series (P.Y. 899,885) compulsorily convertible preference shares of Rs. 10 each	9.00	-	-
4,180,602 G Series (P.Y. 4,180,602) compulsorily convertible preference shares of Rs. 10 each	41.81	-	-
Sub Total (B)	277.83	-	-
Total (A+B)	5,487.41	3,244.18	3,244.18

The Holding Company had issued convertible preference shares which has been treated as Compound financial instrument and split accounting is followed. Dividend component is classified as "equity" and the Principal and conversion option is classified as "Liability". During the FY 2018-19, the terms have been changed and the conversion ratio has been fixed. As a result, the entire capital has been shown under "Equity Share Capital".

17.1 Terms/rights attached to equity shares

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 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.

Terms/rights attached to Compulsorily Convertible Preference Shares

- Series B to F

The holders of the compulsorily convertible preference shares shall not be entitled to receive dividends until such dividends are declared by the Board. However in case a dividend is declared on equity shares, then simultaneously with payment of dividend to the holders of equity shares a pro-rata dividend would be paid out to compulsorily convertible preference shares on the basis of the ownership percentage represented by such compulsorily convertible preference shares. The compulsorily convertible preference shares shall not carry any voting rights until conversion into equity shares, except in accordance with the Companies Act, 2013 and shall convert into equity shares on occurrence of determination event as per the agreement.

-Series G

The holders of G Series CCPS shall not be entitled to receive dividends until such dividends are declared by the Board. However, in case a dividend is being declared on equity shares or any other compulsorily convertible preference shares, then simultaneously with payment of dividend to holders of equity shares, a pro-rata dividend would be paid out to G Series CCPS on the basis of the ownership percentage represented by such CCPS. The G Series compulsorily convertible preference shares shall not carry any voting rights until conversion into equity shares, except in accordance with the Companies Act, 2013 and shall convert into equity shares on occurrence of determination event as per the agreement.

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of year	32,44,18,138	3,244.18	32,44,18,138	3,244.18	29,22,27,818	2,922.28
Add: Equity Share Allotted during year						
Shares issued during the year	9,62,48,878	962.49	-	-	3,21,90,320	321.90
Shares issued persuant to conversion of compulsorily convertible debendtures	10,02,90,881	1,002.91	-	-	-	-
Equity share at the end of year	52,09,57,897	5,209.58	32,44,18,138	3,244.18	32,44,18,138	3,244.18

17.3 Shares held by holding Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
DMI Limited						
418,524,894 (P.Y. 322,276,016) Equity Shares of Rs. 10/- each fully paid	41,85,24,894	80.34%	32,22,76,016	99.34%	32,22,76,016	99.34%
Total	41,85,24,894	80.34%	32,22,76,016	99.34%	32,22,76,016	99.34%

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

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs. 10 each fully paid up						
DMI Limited	41,85,24,894	80.34%	32,22,76,016	99.34%	32,22,76,016	99.34%
NIS Ganesha S.A.	6,25,34,447	12.00%	-	-	-	-
Total	**48,10,59,341**	**92.34%**	**32,22,76,016**	**99.34%**	**32,22,76,016**	**99.34%**
Compulsorily convertible preference shares of Rs. 10 each fully paid up						
Windy Investments Private Limited (B Series)	1,54,81,134	55.72%	1,54,81,134	55.72%	1,54,81,134	55.72%
Windy Investments Private Limited (G Series)	41,80,602	15.05%	41,80,602	15.05%	41,80,602	15.05%
Anuj Malhotra (C Series)	67,49,135	24.29%	67,49,135	24.29%	67,49,135	24.29%
Total	**2,64,10,871**	**95.06%**	**2,64,10,871**	**95.06%**	**2,64,10,871**	**95.06%**

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

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18 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Share Premium Account[2]	12,905.79	2,029.32	2,029.30
Capital Redemption Reserve	81.21	81.21	81.21
Regulatory Reserve u/s 45 (1C) of Reserve Bank of India Act,1934	731.31	584.00	452.07
Share Options Outstanding Account[1]	28.04	0.18	-
Retained earnings	2,899.74	2,964.62	2,202.47
Equity Component of CCD[4]	-	1,899.27	1,899.27
Equity Componenet CCPS[3]	-	282.57	282.57
Special reserve u/s 29C of The National Housing Bank Act, 1987 read with 36 (1) (viii) of income tax Act. 1961[5]	-	4.51	2.04
Total	16,646.09	7,845.68	6,948.93

1. It represents reserves created on account of share options granted by the Group company to its employees.

2. Securities Premium Account is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of Bonus Shares in accordance with provisions of Companies Act 2013.

3.The Holding company had issued convertible preference shares which has been treated as Compound financial instrument and split accounting is followed. Dividend component is classified as "equity" and the Principal and conversion option is classified as "Liability". During the FY 2018-19, the conversion ratio has been fixed. As a result, the entire capital has been shown under "Equity Share Capital".

4.The Holding company had issued convertible debentures which has been treated as Compound financial instrument and split accounting is followed. Interest component is classified as "liability" and the Principal and conversion option is classified as "Equity". During FY 2018-19 , These have been converted @ Rs 35 per equity share, and accordingly 100,290,881 shares were issued to the CCD Holders.

5 . Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance group shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer.

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Notes to the consolidated Financial Statements for the year ended March 31, 2019
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19 Interest Income

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest on Loans	3,408.41	356.40	2,305.32	189.53
Interest income on loan to associates[1]	11.20	-	1.92	-
Interest others	27.68	-	21.86	-
	3,447.29	356.40	2,329.10	189.53

1. Interest income on loan to associates includes interest on loan given to DMI Alternatives Private Limited given in FY 2018-19 Rs.11.2 millions (FY 2017-18 Rs 1.92 million).

20 Fees and commission Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Card Reload Fee	5.88	-
Other income	166.86	143.60
	172.74	143.60

21 Net gain/(loss) on fair value changes

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Net gain/(loss) on financial instruments at fair value through profit and loss		
On trading portfolio		
Investments	175.51	57.14
Total Net gain/(loss) on fair value changes	175.51	57.14
Fair value changes		
Realised	106.91	76.42
Unrealised	68.60	(19.28)
Total Net gain/(loss) on fair value changes	175.51	57.14

22 Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Miscellaneous Income[1]	5.09	10.49
Total	5.09	10.49

1. Miscellaneous Income includes gain on transfer of equity shares of DMI Housing Finance Private Limited.

23 Finance Costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest		
on compulsory convertible debentures	133.39	239.64
on non convertible debentures	539.13	186.26
on bank term loan	425.86	254.72
on bank cash credit	26.95	12.59
on CCPS debt	25.29	33.08
on delayed deposit of statutory dues	0.34	0.43
Fees on borrowings	26.92	24.13
Bank charges	12.39	10.16
Other Interest Expense	3.41	15.76
Total	1,193.69	776.77

24 Fees and commission expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Selling Partner Commission	215.09	11.80
	215.09	11.80

25 Impairment on financial instruments

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost	Total	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost	Total
Loans	(13.11)	298.25	285.14	18.86	173.43	192.29
Write offs	-	255.61	255.61	-	1.26	1.26
Investments	-	-	-	-	(0.25)	(0.25)
Total	(13.11)	553.86	540.75	18.86	174.44	193.30

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26 **Employee Benefits Expenses**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	630.59	298.14
Contribution to provident and other funds	15.48	12.49
Share Based Payments to employees	31.58	0.18
Staff welfare expenses	9.77	10.56
Total	**687.42**	**321.37**

27 **Other expenses**

	Year ended March 31, 2019	Year ended March 31, 2018
Advertisement Expenses	9.40	3.95
Legal and professional fees	86.78	69.95
Travelling & conveyance expenses	29.96	24.39
Audit fee[1]	3.54	3.06
IT Expenses	47.18	18.39
Rates and taxes	42.16	7.72
Rent	28.17	21.51
GST Written off	64.04	19.39
Communication Expenses	3.46	6.66
Printing & Stationery	1.54	2.13
Independent Directors Fee	0.90	-
Corporate Social Responsibility [2]	21.07	17.18
Foreign Exchange	(0.12)	-
Repair and Maintenance	14.07	6.87
Insurance Expense	1.05	0.30
TDS Written-Off	-	1.84
Security expense	5.03	2.35
Credit Rating Fee	4.24	7.02
Fixed assets written-off	-	0.08
Miscellaneous expenses	21.79	14.95
Total	**384.26**	**227.74**

1. Auditor's remuneration

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit fees	2.93	2.49
Tax audit fees	0.31	0.30
Other services	0.30	0.27
	3.54	**3.06**

2. Corporate Social Responsibility (CSR)

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was Rs. 20.87 millions in FY 2018-19 (Previous Year Rs. 17.18 millions) and Company has spent Rs. 21.07 millions in FY 2018-19 (Previous Year Rs. 16.36 millions).

28 **Earning per share**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (in Millions)	471.66	452.49
Net profit for calculation of basic EPS	813.25	777.65
Basic earning per share (in ₹)	**1.72**	**1.72**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Millions)	474.51	452.50
Net profit for calculation of Diluted EPS	813.25	777.65
Diluted earning per share (in ₹)	**1.71**	**1.72**
Nominal value of equity shares (in ₹)	**10.00**	**10.00**

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29 Retirement benefit plan

Defined contribution plan

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

The total expense charged to income during the FY 2018-19 Rs 6.83 millions (FY 2017-18: Rs 5.58 millions) represents contributions payable to these plans by the Company 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 and fair value of plan assets as at 31March 2019

		Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-18	Write-back & consolidation adjustment	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	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	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-19
Gratuity	7.19	(1.91)	3.50	0.41	2.00	(0.18)	-	-	0.16	(0.72)	(0.55)	-	8.45

Changes in the defined benefit obligation and fair value of plan assets as at 31March 2018

		Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-17	Write-back & consolidation adjustment	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	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	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-18
Gratuity	4.07		3.00	0.29	3.29	-	-	-	(0.25)	0.08	(0.18)	-	7.19

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

Particulars	31-Mar-19	31-Mar-18
Economic assumptions		
Discount rate	7.66%	7.80%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disablity	100% of IALM (2006-08)	100% of IALM (2006-08)
Attrition at ages (withdrawal rate)		
(i) upto 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Mortality Rates for specimen ages

Age	Rate	Age	Rate	Age	Rate
15	0.06%	45	0.29%	75	3.96%
20	0.09%	50	0.49%	80	6.06%
25	0.10%	55	0.79%	85	9.20%
30	0.11%	60	1.15%	90	13.89%
35	0.13%	65	1.70%	95	20.86%
40	0.18%	70	2.59%	100	31.16%

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
Assumptions	Discount rate				Future salary increases			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.65)	0.71	(0.48)	0.53	0.72	(0.66)	0.45	(0.43)

The following is the maturity profile of gratuity:

Expected payment for future years	31-Mar-19	31-Mar-18
0 to 1 Year	0.15	0.16
1 to 2 Year	0.06	0.08
2 to 3 Year	0.08	0.10
3 to 4 Year	0.09	0.11
4 to 5 Year	0.12	0.13
5 to 6 Year	0.14	0.12
6 Year onwards	7.81	6.49
Total expected payments	**8.45**	**7.19**

The weighted average duration of the defined benefit obligation is as follows:

	31-Mar-19	31-Mar-18
DMI Finance Private Limited	20.32 years	20.44 years
DMI Housing Finance Private Limited	-	20.95 years
DMI Capital Private Limited	17.84 years	18.65 years

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30 Employee Stock Option Plan

I. The Group has formulated share-based payment schemes for its employees. Details of all grants in operation as at March 31, 2019 are as given below:

For DMI Finance Private Limited

Scheme Name	DMI ESOP Plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Managemant Scheme	DMI ESOP Plan, Legacy Scheme
Date of grant	19-Mar-18	01-Apr-18	01-Oct-18	01-Apr-18
Date of Board / Compensation Committee approval	16-Mar-18	01-Apr-18	01-Oct-18	01-Apr-18
Number of Options granted	322023	1550442	723981	1827677
Method of settlement	Shares	Shares	Shares	Shares
Graded vesting period *	As defined below	As defined below	As defined below	As defined below
First vesting date	18th March 2019	31-Mar-19	30-Sep-19	31-Mar-19
Exercise period **	5 years	5 years	5 years	5 years
Vesting conditions	**As per DMI ESOP Plan**	**As per DMI Retention Plan, 2018**	**As per DMI ESOP Plan, Managemant Scheme**	**As per DMI ESOP Plan, Legacy Scheme**
Exercise price per option	43.90	46.74	62.21	13.29
Stock price on the date of grant	22.81	24.68	95.49	24.68

For DMI Housing Finance Private Limited

Scheme Name	DMI HFC ESOP Plan, 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan, Managemant Scheme
Date of grant	19 March 2018	1 April 2018	1 October 2018
Date of Board / Compensation Committee approval	16 March 2018	1 April 2018	1 October 2018
Number of Options granted	349316	836626	3154930
Method of settlement	Shares	Shares	Shares
Graded vesting period *	See Below	See Below	See Below
First vesting date	18th March 2019	31 March 2019	30 September 2019
Exercise period **	5 years	5	5
Vesting conditions	**As per DMI HFC ESOP**	**As per DMI HFC**	**As per DMI HFC ESOP**
Exercise price per option	10.68	10.72	10.80
Stock price on the date of grant	10.68	10.72	10.80

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

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

II. Reconciliation of options

Particulars	DMI Finance Private Limited	DMI Housing Finance Private Limited	Total
Options outstanding at the beginning of the year	3,22,023	3,49,316	6,71,339
Granted during the year	41,02,100	39,91,556	80,93,656
Exercised during the year	-	-	-
Outstanding at the end of the year	44,24,123	43,40,872	87,64,995
Weighted average remaining contractual life (in years)	4.1	4.4	

III. Computation of fair value

For undertaking fair valuation of ESOP, the Group is using Black-Scholes Model.

For DMI Finance Private Limited

ESOP PLAN	DMI ESOP PLAN 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Managemant Scheme	DMI ESOP Plan, Legacy Scheme
Fair Market Value (Rs.)	22.81	24.68	95.49	24.68
Volatility	15%	15%	15%	15%
Risk free Rate	6%	7.50%	7.50%	7%
Dividend Yield	0%	0%	0%	0%
Exercise Price (Rs.)	43.90	46.74	62.21	13.29
Option Fair Value	**0.67**	**1.15**	**49.45**	**15.32**

For DMI Housing Finance Private Limited

ESOP Plan	DMI HFC ESOP Plan, 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan, Managemant Scheme
Fair Market Value	10.68	10.72	10.93
Volatility	15%	15%	15%
Risk free Rate	6%	8%	8%
Dividend Yield	0%	0%	0%
Exercise Price	10.68	10.72	10.80
Option Fair Value	**3.08**	**3.55**	**3.69**

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31 First-time adoption of Ind AS

The Holding Company has prepared its Ind AS compliant financial statements for year ended March 31, 2019, the comparative year ended on March 31 2018 and an opening Ind AS Balance Sheet as at April 1, 2017 (The date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustment made by the Holding Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

For years ended upto the year ended March 31, 2018, the Holding Company had prepared its financial statements in accordance with the accounting statndards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Holding Company has applied the following exemptions/exceptions:

Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments:

- Fair valuation of financials instruments carried at FVTPL and FVOCI
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Holding Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017 the date of transition to Ind AS, and as of March 31, 2018.

Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets

The Group has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2017.

Property, plant & equipment & intagible assets

The Group has elected to continue with the carrying value for all of its PPE, Intangible assets and Investment Properties as recognized in its Indian GAAP financial as deemed cost at the transition date.

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Reconciliation of Equity under Ind AS and Indian GAAP as follows

Particulars	Note	As of March 31, 2018	As of April 1, 2017
Equity as reported under previous GAAP		8,917.03	8,171.61
Expected Credit loss on the financial assets	(iii)	(314.70)	(146.29)
Effective interest rate impact on financial assets	(i)	(7.48)	(10.40)
Effective interest rate impact on financial liabilities	(i)	27.29	31.36
Fair Valuation of Investments	(ii)	170.70	(0.80)
Compound Financial Instruments	(v)	1,901.46	2,411.22
Recognition of Deferred Tax Asset	(iv)	445.67	(218.69)
Equity as reported under Ind AS		**11,139.97**	**10,237.99**

Reconciliation of Profit under Ind As and Indian GAAP as follows

Particulars	Note	Year ended March 31, 2018
Profit after tax as per previous GAAP		739.97
Increase / decrease in profit due to :		
Expected credit loss on financial assets	(iii)	(168.41)
Effective interest rate impact on financial assets	(i)	2.92
Effective interest rate impact on financial liabilities	(i)	(4.07)
Fair Valuation of Investments	(ii)	171.51
Compound Financial Instruments	(v)	(509.74)
Tax Impact of the above adjustments	(iv)	664.37
Total Comprehensive Income as per Ind AS		**896.56**

(i) **EIR on loans and borrowings**

Under Indian GAAP, loan processing fees received in connection with loans portfolio recognized upfront and credited to profit or loss for the period. Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan portfolio.

For Borrowings Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under IndAS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

(ii) **Investments**

Under Indian GAAP, the holding company accounted for long term investments in CCPS and NCD's of subsidiaries measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the holding company has designated such investments as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes.

Under Indian GAAP, equity shares were measured at transaction cost. Under IndAS the equity shares were classified as FVTPL instruments and has been measured at fair value. Difference of fair value and carrying amount has been transferred to equity.

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(iii) **Expected Credit Loss on loans & advances**

Under Indian GAAP, the group has created provision for loans and advances based on the Guidelines on prudential norms issued by Regulatory authorities. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). In addition, ECL on off balance sheet has also been determined as per Ind AS). The differential impact has been adjusted in Retained earnings/ Profit and loss during the year.

Under Indian GAAP Provision for NPA and Provision against standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

(iv) **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Rs 445.67 millions (March 31, 2017: Rs negative 218.69 millions).

(v) **Compound financial instruments**

(a) Compulsorily Convertible Preference Shares

The holding company had issued convertible preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit . Under IndAS, Compulsorily Convertible Preference Shares are treated as Compound financial instrument and split accounting is followed. Dividend component is classified as "equity" and the Principal and conversion option is classified as "Liability"

(b) Compulsorily Convertible Debentures

The holding company had issued convertible debentures. Under Indian GAAP, debentures was classified under Borrowings. Under IndAS, Compulsorily Convertible Debentures are treated as Compound financial instrument and split accounting is followed. Interest component is classified as "liability" and the Principal and conversion option is classified as "Equity".

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

(a) Detail of related parties

Nature of relationship	Name of Related party
Holding company	DMI Limited
Associate Company	DMI Alternatives Private Limited
Fellow Subsidiary	DMI Consumer Credit Private Limited DMI Housing Finance Private Limited (after 19th December 2018)
Key Management Personnel	Mr. Yuvraja Chanakya Singh Mr. Shivashish Chatterjee Mrs. Bina Singh Mrs. Jayati Chatterjee Mr. Nipender Kochhar Mr. Gurcharan Das Mr. Jatinder Bhasin Mr. Sahib Pahwa
Relative of key management personnel	Mrs. Mallika Singh Ms. Promita Chatterjee
Enterprises owned or significantly influenced by Management personnel or their relatives	DMI Capital Fund LP Compro Technologies Private Limited

(b) Significant transactions with related parties:

Sale/purchase of services/assets	Purchase of services / assets	Sale of services / assets	Amount owed by related parties	Amount owed to related parties
Compro Technologies Private Limited				
2019	0.73	5.98	-	-
2018	9.73	-	-	-
2017	2.90	-	-	-
ESOP's to Employees of DMI Alternatives Private Limited				
2019	2.60	-	-	2.60
2018	-	-	-	-
2017	-	-	-	-
ESOP's to Employees of DMI Housing Finance Private Limited				
2019	-	3.48	3.48	-
2018	-	-	-	-
2017	-	-	-	-

Loans taken and repayment thereof	Loans taken/transfer/ (repaid)	Interest accrued- (inclusive of TDS)	Interest paid (exclusive of TDS)	Amount owed by related parties
DMI Capital Fund LP				
2019	(414.34)	40.86	85.54	-
2018	(44.45)	61.12	53.86	465.62
2017	-	64.19	52.28	512.65
Ms. Mallika Singh				
2019	(2.00)	0.20	0.18	-
2018	-	0.30	0.27	2.30
2017	-	0.30	0.27	2.27
Mr. Yuvraja Chanakya Singh				
2019	(12.56)	1.24	1.11	-
2018	-	1.85	1.67	14.23
2017	-	1.85	1.67	14.23
DMI Alternatives Private Limited				
2019	60.00	2.19	-	-
2018	60.00	1.92	-	61.73
2017	-	-	-	-
Ms. Bina Singh				
2019	(2.25)	0.22	0.20	-
2018	-	-	-	-
2017	-	-	-	-

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

Advance given and repayment thereof	Advance (taken)/ given	Interest on loan, if any	Repayment	Amount owed to related parties
DMI Consumer Credit Private Limited				
2019	-	-	-	-
2018	-	-	-	-
2017	0.46	-	(0.46)	-
DMI Alternatives Private Limited				
2019	-	-	-	-
2018	2.80	-	(2.80)	-
2017	-	-	-	-

Reimbursement of expense	Reimbursement of expense paid by related party on behalf of entity	Reimbursement of expense incurred on behalf of related party	Amount owed to related party
Bina Singh			
2019	-	-	-
2018	-	-	-
2017	0.09	0.01	-

Remuneration to key managerial personnel	March 31, 2019	March 31, 2018	April 1, 2017
Mr. Yuvraja Chanakya Singh, Jt. Managing Director			
Short term employee benefits	57.28	59.17	59.17
Post employment benefits	0.36	0.36	0.36
Mr. Shivashish Chatterjee, Jt. Managing Director			
Short term employee benefits	233.97	25.90	29.96
Post employment benefits	0.36	0.36	0.36
Mrs. Jayati Chatterjee, Director			
Sitting fees	0.20	0.16	0.18
Mrs. Bina Singh, Director			
Sitting fees	0.10	0.06	0.08
Mr. Gurcharan Das			
Sitting fees	0.08	0.08	0.10
Mr. Nipender Kochhar	0.20	0.16	0.12
Sitting fees			
Mr. Jatinder Bhasin			
Yearly Remuneration	10.00	3.20	-
Mr. Sahib Pahwa			
Yearly Remuneration	3.43	2.40	2.20

Shares issued/ purchased from related party	March 31, 2019	March 31, 2018	April 1, 2017
DMI Limited			
Issue of equity shares	9,190.81	-	1,380.64
DMI Capital Fund LP			
Issue of equity shares	414.34	-	-
Mr. Yuvraja Chanakya Singh			
Purchase of equity shares of DMI Housing Finance Private Limited	-	5.00	-
Ms. Mallika Singh			
Issue of equity shares	2.00	-	-
Ms. Bina Singh			
Issue of equity shares	2.25	-	-

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

Additions in investments	No. of Equity shares purchased	Amount Rs.	No. of Compulsorily convertible preference shares purchased	Amount Rs.
DMI Consumer Credit Private Limited				
2019	-	-	-	-
2018	-	-	-	-
2017	3.15	31.50	-	-
DMI Alternatives Private Limited				
2019	-	-	-	-
2018	-	-	-	-
2017	0.01	0.10	-	-

Others

During the year ended March 31, 2019, DMI Finance Private Limited has down sold certain non convertible debentures to Mr. Sahib Pahwa with a consideration as mentioned below:

Sale of NCDs- Rs 1.02 millions (Mar'18: Rs. Nil ,1 Apr' 17: Rs. Nil)

During the year ended March 31, 2019, DMI Finance Private Limited has down sold and purchased certain non convertible debentures from Mrs. Jayati Chatterjee with a consideration as mentioned below:

Sale of NCDs- Rs Nil (Mar'18: Rs. 1.77 millions ,1 Apr' 17: Rs. 1.99 millions)

Purchase of NCDs- Rs Nil (Mar'18: Rs. 1.87 millions, 1 Apr' 17: Rs. Nil)

During the year ended March 31, 2019, DMI Finance Private Limited has purchased certain non convertible debentures held by Mr. Gurcharan Das with a consideration of Rs. Nil (Mar'18:Rs.3.58 millions; 1 Apr' 17: Rs. Nil).

During the year ended March 31, 2019, DMI Finance Private Limited has down sold and purchased certain non convertible debentures from Ms. Promita Chatterjee with a consideration as mentioned below:

Sale of NCDs- Rs. Nil (Mar'18:Rs. 0.89 millions, 1 Apr' 17: Rs. 0.99 millions)

Purchase of NCDs- Rs.Nil (Mar'18: Rs. 0.93 millions ,1 Apr' 17: Rs. Nil)

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33 Capital

The Group's objective for capital management is to maximize shareholders' value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

The funding requirements are met through borrowings, retained earnings and operating cash flows generated.

DMI Finance Private Limited ("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). The adequacy of the Holding Company's capital is monitored using, among other measures the regulations issued by RBI.

Particulars	As at March 31, 2019	As at March 31,2018	As at April 1, 2017
Tier 1 CRAR	65.07%	42.78%	50.16%
Tier 2 CRAR	0.78%	18.42%	22.27%
Total CRAR	**65.85%**	**61.20%**	**72.43%**

Similarily, DMI Housing Finance Private Limited actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, National Housing Board of India. The adequacy of the Company's capital is monitored using, among other measures the regulations issued by NHB.

DMI Housing Finance Private Limited

Particulars	As at March 31,2018	As at April 1, 2017
Tier 1 CRAR	113.31%	158.20%
Tier 2 CRAR	0.55%	0.70%
Total CRAR	**113.86%**	**158.90%**

34 (a) Contingent liability

The Holding company has given a corporate guarantee to following banks against the sanctioned facilities to its fellow subsidiary DMI Housing Finance Private Limited (effective from 20 December 2018).

Bank Name	Term Loan	Cash Credit	As at March 31, 2019	As at March 31, 2018
State Bank of India	200	250	450	450
DCB	100	-	100	100
South Indian Bank	100	-	100	100
Total	**400**	**250**	**650**	**650**

The undrawn loan commitments of the Company is Rs. NIL in FY 2018-19 (FY 2017-18 Rs 495.60 million , FY 2016-17 Rs 212.40 millions)

34 (b) Standard issued but not yet effective

Ind AS 116 : Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IndAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The company is evaluating the requirements of Ind AS 116 and its effect on the financial statements .

35 The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident Fund and Pension Funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the apllication of the said order, the ambiguity reflected by the divergent views of the legal experts and the response/direction from the authorities, including representations made by an industry association in this regard.

36 Leases

The holding Company has taken office premises on Lease at various locations in India. Lease rent aggregating to Rs. 28.17 millions in FY 2018-19 (FY 2017-18 Rs. 21.51 millions) in respect of the same have been charged to the Statement of Profit and Loss. The agreements are executed for periods ranging from 11 months to 9 years with a renewable clause. In many cases, the agreements also provide for termination at will by either party by giving a prior notice period between 30 to 90 days. The minimum lease rentals outstanding as at March 31, 2019, are as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than One year	27.00	22.95
Later than One year but not later than Five years	87.07	73.42
Later than Five Years	5.69	19.47

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37 Risk Management

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

(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 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 & liabilities

31-Mar-19	Upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	475.15	-	-	-	-	-	-	-	**475.15**
Bank balance other than Cash and cash equivalents	3.07	-	-	-	11.63	-	-	-	**14.70**
Receivables	17.22	8.21	-	-	-	-	-	-	**25.43**
Loans	1,759.11	1,499.86	1,453.45	3,636.68	5,189.84	9,517.77	3,690.23	19.52	**26,766.47**
Investments	262.91	44.34	172.57	5,285.86	483.03	1,832.54	1,033.18	1,992.87	**11,107.30**
Other financial assets	494.82	20.52	18.30	42.14	51.50	39.64	0.10	10.55	**677.57**
Financial liabilities									**-**
Trade Payables	97.49	-	-	-	-	-	-	-	**97.49**
Debt Securities	-	-	345.14	367.26	2,977.24	2,714.77	-	-	**6,404.41**
Borrowings (other than Debt Securities)	371.78	137.36	335.41	511.60	968.25	2,514.42	340.56	-	**5,179.38**
Other financial liabilities	34.23	17.32	91.98	35.57	46.37	33.46	0.08	-	**259.03**

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31-Mar-18	Upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	702.65	-	-	-	-	-	-	-	**702.65**
Bank balance other than Cash and cash equivalents	2.94	-	-	-	11.44	-	-	-	**14.38**
Receivables	10.14	-	-	-	-	-	-	-	**10.14**
Loans	389.66	314.26	955.47	1,129.53	2,292.00	7,870.00	4,077.21	3,828.85	**20,857.00**
Investments	196.71	41.68	210.57	297.21	586.11	2,040.77	996.94	857.38	**5,227.38**
Other financial assets	83.17	-	-	-	-	-	-	11.04	**94.21**
Financial liabilities									
Trade Payables	56.48	-	-	-	-	-	-	-	**56.48**
Debt Securities	-	-	45.00	52.40	103.10	1,454.28	906.77	1,608.70	**4,170.25**
Borrowings (other than Debt Securities)	652.63	67.23	228.71	426.67	868.28	2,526.29	573.15	79.14	**5,422.10**
Other financial liabilities	675.37	-	6.84	-	-	-	-	-	**682.21**

01-Apr-17	Upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	247.60	-	-	-	-	-	-	-	**247.60**
Bank balance other than Cash and cash equivalents	2.81	-	-	-	8.57	-	-	-	**11.38**
Receivables	13.42	-	-	-	-	-	-	-	**13.42**
Loans	460.02	277.84	359.53	1,038.06	1,988.16	5,702.27	2,603.08	1,323.07	**13,752.03**
Investments	94.85	75.16	118.45	713.83	659.92	3,037.92	1,776.47	736.25	**7,212.84**
Other financial assets	0.25	-	-	-	-	-	-	6.54	**6.79**
Financial liabilities									
Trade Payables	20.87	-	-	-	-	-	-	-	**20.87**
Debt Securities	-	-	-	-	-	-	-	1,853.73	**1,853.73**
Borrowings (other than Debt Securities)	54.82	62.64	225.69	425.49	803.25	2,216.77	186.21	6.83	**3,981.69**
Other financial liabilities	85.47	-	-	-	414.87	-	-	-	**500.34**

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(B) Credit Risk

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

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

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

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

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

Analysis of risk concentration

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

31-Mar-19	Financial services	Real Estate	MSME	Services & Manufacturing	Retail	Others	Total
Financial asset							
Cash and cash equivalents	475.15	-	-	-	-	-	475.15
Bank balance other than Cash and cash equivalents	14.70	-	-	-	-	-	14.70
Term Loans- Corporate	219.20	8,650.66	113.35	2,256.14	11.65	-	11,251.01
Consumer Loans	-	-	-	-	9,950.48	-	9,950.48
Receivables	9.87	7.35	-	8.21	-	-	25.43
Investments	4,942.71	2,128.58	-	2,530.37	-	-	9,601.66
Other financial assets	-	0.96	-	-	660.57	16.04	677.57
Total	**5,661.63**	**10,787.55**	**113.35**	**4,794.72**	**10,622.70**	**16.04**	**31,996.00**

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31-Mar-18	**Financial services**	**Real Estate**	**MSME**	**Services & Manufacturing**	**Retail**	**Others**	**Total**
Financial asset							
Cash and cash equivalents	702.66	-	-	-	-	-	702.66
Bank balance other than Cash and cash equivalents	14.38	-	-	-	-	-	14.38
Term Loans- Corporate	-	9,184.36	523.70	824.45	31.06	-	10,563.57
Consumer Loans	-	-	-	-	1,221.16	-	1,221.16
Housing Loan & Loan Against Property	-	-	-	-	-	1,692.95	1,692.95
Receivables	4.23	**5.91**	-	-	-	-	10.14
Investments	5.43	2,663.29	248.24	1,041.63	-	-	3,958.59
Other financial assets	-	1.37	-	-	81.79	11.04	94.21
Total	**726.71**	**11,854.93**	**771.94**	**1,866.08**	**1,334.01**	**1,703.99**	**18,257.66**

01-Apr-17	**Financial services**	**Real Estate**	**MSME**	**Services & Manufacturing**	**Retail loans/ Consumer loans**	**Others**	**Total**
Financial asset							
Cash and cash equivalents	247.60	-	-	-	-	-	247.60
Bank balance other than Cash and cash equivalents	11.38	-	-	-	-	-	11.38
Term Loans- Corporate	-	6,671.24	465.50	1,653.71	211.91	-	9,002.37
Consumer Loans	-	-	-	-	24.81	-	24.81
Housing Loan & Loan Against Property	-	-	-	-	-	628.24	628.24
Receivables	4.88	**8.54**	-	-	-	-	13.42
Investments	425.34	2,863.61	265.02	1,608.75	-	-	5,162.71
Other financial assets	-	0.12	-	-	-	6.67	6.79
Total	**689.19**	**9,543.52**	**730.52**	**3,262.46**	**236.73**	**634.91**	**15,097.33**

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(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, 2019	As at March 31, 2018	As at April 01, 2017	Primary risk sensitivity
ASSETS				
Financial assets				
Investments	9,648.36	3,964.76	5,162.35	Equity Price
LIABILITIES				
Financial liabilities				
Debt Securities	5,782.28	3,588.70	1,853.73	Interest Rate
Borrowings (other than Debt Securities)	4,471.72	4,651.85	3,398.79	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 company. Interest Rate Risk arises due to:

i) Changes in Regulatory or Market Conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

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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		Basis Points
Borrowings	**2019**	**2018**	
Decrease in basis points	18.10	9.75	-50
Increase in basis points	(18.10)	(9.75)	+50

Particulars	Effect on Net Profit		Basis Points
Debt Securities	**2019**	**2018**	
Decrease in basis points	9.10	-	-50
Increase in basis points	(9.10)	-	+50

(ii) Equity Price Risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Group's FVOCI equities at 31 March 2019 would have increased equity by Rs 84.50 million (FY 2017-18 Rs 32.68 million). 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 2019 would have increased profits by Rs 533.79 million (FY 2017-18 Rs 39.09 million). An equivalent decrease would have resulted in an equivalent but opposite impact.

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38 Maturity analysis of Assets and Liabilities:

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	475.15	-	**475.15**	702.66	-	**702.66**	247.60	-	**247.60**
Bank balance other than Cash and cash equivalents	14.70	-	**14.70**	14.38	-	**14.38**	11.38	-	**11.38**
Receivables									
(I) Trade Receivables	25.43	-	**25.43**	10.14	-	**10.14**	13.42	-	**13.42**
(II) Other Receivables	-	-	**-**	-	-	**-**	-	-	**-**
Loans	10,724.07	10,477.41	**21,201.48**	3,283.27	10,194.41	**13,477.68**	2,895.22	6,760.20	**9,655.42**
Investments	5,427.94	4,220.42	**9,648.36**	1,010.49	2,954.27	**3,964.76**	1,189.67	3,972.68	**5,162.35**
Other financial assets	666.90	10.67	**677.57**	84.24	9.97	**94.21**	-	6.79	**6.79**
Non- financal assets									
Current tax assets (net)	118.50	-	**118.50**	-	10.26	**10.26**	-	294.43	**294.43**
Deferred tax assets (net)	-	123.37	**123.37**	-	504.87	**504.87**	-	561.66	**561.66**
Property, plant and equipment	-	70.34	**70.34**	-	80.22	**80.22**	-	49.58	**49.58**
Intangible assets	-	5.96	**5.96**	-	2.60	**2.60**	-	2.22	**2.22**
Other non- financial assets	62.01	-	**62.01**	56.91	-	**56.91**	54.19	-	**54.19**
Assets held for sale	-	533.68	**533.68**	-	1,442.54	**1,442.54**	-	421.58	**421.58**
	17,514.70	**15,441.85**	**32,956.55**	**5,162.09**	**15,199.14**	**20,361.23**	**4,411.48**	**12,069.14**	**16,480.62**
LIABILITIES AND EQUITY									
LIABILITIES									
Financial liabilities									
Payables									
(I) Trade Payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	-	-	**-**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	97.49	-	**97.49**	56.48	-	**56.48**	20.87	-	**20.87**
(II) Other Payables	-	-	**-**	-	-	**-**	-	-	**-**
(i) total outstanding dues of micro enterprises and small	-	-	**-**	-	-	**-**	-	-	**-**
Debt Securities	3,331.23	2,451.05	**5,782.28**	165.41	3,423.29	**3,588.70**	-	1,853.73	**1,853.73**
Borrowings (other than Debt Securities)	2,006.83	2,464.89	**4,471.72**	1,924.81	2,727.04	**4,651.85**	1,341.78	2,057.01	**3,398.79**
Deposits	-	-	**-**	-	-	**-**	-	-	**-**
Subordinated liabilities	-	-	**-**	-	-	**-**	-	-	**-**
Other financial liabilities	224.46	34.56	**259.03**	682.22	-	**682.22**	500.33	-	**500.33**
Non financial liabilities									
Current tax liabilities (net)	-	-	**-**	3.11	-	**3.11**	286.03	-	**286.03**
Provisions	0.51	19.31	**19.81**	1.48	16.36	**17.84**	0.57	6.29	**6.86**
Deferred tax liabilities (net)	-	-	**-**	-	-	**-**	-	-	**-**
Other Non-financial liabitilies	192.72	-	**192.72**	221.06	-	**221.06**	176.02	-	**176.02**
Equity									
Equity share capital	-	5,487.41	**5,487.41**	-	3,244.18	**3,244.18**	-	3,244.18	**3,244.18**
Other equity	-	16,646.09	**16,646.09**	-	7,845.68	**7,845.68**	-	6,948.93	**6,948.93**
Non-controlling interest					50.11	**50.11**		44.88	**44.88**
	5,853.24	**27,103.31**	**32,956.55**	**3,054.57**	**17,306.66**	**20,361.23**	**2,325.60**	**14,155.02**	**16,480.62**

39 Fair value

39.1 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.

39.2 Valuation governance

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

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39.3 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 2019				31 March 2018				1 April 2017			
	Level 1	Level 2	Level 3	Total	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 - Corporate	-	4,942.71	-	4,942.71	-	1.37	-	1.37	-	419.09	-	419.09
Equity Shares - Mcnally Bharat Engg Co. Ltd.	198.40		-	198.40	188.64		-	188.64	-	-	-	-
Security Receipts of Alchemist XV Trust	-	196.75		196.75	-	200.85	-	200.85	-	203.95		203.95
Total financial investment measured at FVTPL	**198.40**	**5,139.46**	-	**5,337.86**	**188.64**	**202.22**	-	**390.86**	-	**623.04**	-	**623.04**
Financial investments measured at FVOCI												
Credit Substitutes (NCD Quoted)	-	-	895.85	**895.85**	-	-	1,073.30	**1,073.30**	-	-	2,336.18	**2,336.18**
Compulsory Convertible Debentures(CCDs)	-	-	772.93	**772.93**	-	-	-	-	-	-	-	-
Loans												
NCD Unquoted	-	-	917.41	**917.41**	-	-	429.62	**429.62**	-	-	51.81	**51.81**
Equity Instruments												
DMI Consumer Credit Pvt Ltd (Investment)	-	-	-	-	-	-	2.77	**2.77**	-	-	2.77	**2.77**
DMI Housing Finance Pvt Ltd	-	-	264.87	**264.87**	-	-	-	-	-	-	-	-
Alchemist Asset Reconstruction Co.Ltd.	-	-	316.68	**316.68**	-	-	323.99	**323.99**	-	-	249.38	**249.38**
DMI Alternatives Investment Fund Special Opportunities Scheme	-	10.48	-	**10.48**	-	-	-	-	-	-	-	-
Flash Electronics	-	-	250.00	**250.00**	-	-	-	-	-	-	-	-
Total financial investments measured at FVOCI	-	**10.48**	**3,417.73**	**3,428.22**	-	-	**1,829.69**	**1,829.69**	-	-	**2,640.14**	**2,640.14**
Total assets measured at fair value on a recurring basis	**198.40**	**5,149.95**	**3,417.73**	**8,766.08**	**188.64**	**202.22**	**1,829.69**	**2,220.54**	-	**623.04**	**2,640.14**	**3,263.18**
Total financial assets measured at fair value	**198.40**	**5,149.95**	**3,417.73**	**8,766.08**	**188.64**	**202.22**	**1,829.69**	**2,220.54**	-	**623.04**	**2,640.14**	**3,263.18**

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39.4 Valuation techniques

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

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

Equity instruments measured at FVOCI

Equity instruments in non-listed entities are valued on a case-by-case based on networth of investee company and are classified as Level 3.

Debt Securities & Loans at FVOCI

A. Fair Value is calculated by discounting future cashflows and doesn't consider the accrued interest

B. The discounting rate 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 –

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 & Security)

39.5 There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2019, March 31, 2018 and April 1, 2017.

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39.6 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. The holding company requires significant unobservable

31-Mar-19	At 1 April 2018	Purchase	Settlements	Net interest income, net trading income and other income	Other comprehensive income	At 31 March 2019	Unrealised gains and losses related to balances held at the end of the period
DMI Consumer Credit Private Limited	2.77	-	-	-	0.23	3.00	-
Alchemist Asset Reconstruction Co.Ltd.	323.99	-	-	-	(7.31)	316.68	-
Credit Subsitutes	1,073.30	455.59	(678.03)	89.22	(44.24)	895.85	-
NCD Unquoted	429.62	401.43	(29.62)	93.63	22.35	917.41	-
Compulsorily Convertible Debentures	-	750.00	-	22.93	-	772.93	-
DMI Housing Finance Private Limited - Equity Shares	-	259.95	-	-	4.92	264.87	-
Other Quoted Equity Investments	-	250.00	-	-	-	250.00	-
	1,829.69	2,116.97	(707.65)	205.78	(24.05)	3,420.73	-

31-Mar-18	At 1 April 2017	Purchase	Settlements	Net interest income, net trading income and other income	Other comprehensive income	At 31 March 2018	Unrealised gains and losses related to balances held at the end of the period
DMI Consumer Credit Private Limited	2.77	-	-	-	-	2.77	-
Alchemist Asset Reconstruction Co.Ltd.	249.38	-	-	-	74.61	323.99	-
Credit Subsitutes	2,336.18	343.96	(1,698.36)	(15.14)	106.65	1,073.30	-
NCD Unquoted	51.81	700.00	(354.82)	29.62	3.01	429.62	-
Other Quoted Equity Investments	-	-	-	-	-	-	-
	2,640.14	1,043.96	(2,053.18)	14.48	184.28	1,829.69	-

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39.7 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 holding company's Level 3 assets and liabilities.

Mar'19	Fair Value of Level 3 Assets	Valuation technique	Significant unobservable inputs
DMI Consumer Credit Private Limited	3.00	Net Worth of Investee Company	Instrument Price
Alchemist Asset Reconstruction Co.Ltd.	316.68	Net Worth of Investee Company	Instrument Price
Credit Subsitutes	895.85	Discounted Projected Cash Flows	Discount Margin/Spread
DMI Housing Finance Private Limited - Equity Shares	264.87	Net Worth of Investee Company	Instrument Price
Other Unquoted Equity Investments	250.00	Net Worth of Investee Company	Instrument Price
Compulsory Convertible Debentures	772.93	Discounted Projected Cash Flows	Discount Margin/Spread
NCD Unquoted	917.41	Discounted Projected Cash Flows	Discount Margin/Spread

Mar'18	Fair Value of Level 3 Assets	Valuation technique	Significant unobservable inputs
DMI Consumer Credit Private Limited	2.77	Net Worth of Investee Company	Instrument Price
Alchemist Asset Reconstruction Co.Ltd.	323.99	Net Worth of Investee Company	Instrument Price
Credit Subsitutes	1,073.30	Discounted Projected Cash Flows	Discount Margin/Spread
NCD Unquoted	429.62	Discounted Projected Cash Flows	Discount Margin/Spread

39.8 Quantitative analysis of significant unobservable inputs

Instrument Price

When specific market prices are not available, the holding company uses net worth of the investee company. 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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(All Amount in Rs. In millions, except for share data unless stated otherwise)

39.9 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	31-Mar-19		31-Mar-18	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
	INR million	INR million	INR million	INR million
DMI Consumer Credit Private Limited	0.30	(0.30)	0.28	(0.28)
Alchemist Asset Reconstruction Co.Ltd.	31.67	(31.67)	32.40	(32.40)
Credit Subsitutes	89.58	(89.58)	107.33	(107.33)
NCD Unquoted	91.74	(91.74)	42.96	(42.96)
DMI Housing Finance Private Limited - Equity Shares	26.49	(26.49)	-	-
Other Unquoted Equity Investments	25.00	(25.00)	-	-
Compulsory Convertible Debentures	77.29	(77.29)	-	-
Total	**342.07**	**(342.07)**	**182.97**	**(182.97)**

39.10 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.

	31-Mar-19		31-Mar-18		01-Apr-17	
Financial Assets:	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
Loans and advances						
Loans	10,595.72	10,335.80	11,766.23	11,766.23	9,579.28	9,579.28
Investments – at amortised cost						
NCD (Quoted)	1,446.78	1,651.05	2,045.02	2,045.02	1,852.36	1,852.36
Financial Liabilities:						
Debt securities						
Non convertible debentures	3,570.94	3,300.00	1,977.74	1,980.00	-	-

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 Quoted non convertible debenture & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and Liabilities other than above

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

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

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

Name of the entity in the Group	Net assets .i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DMI Finance Private Limited	98.64%	22,001.78	86.8%	753.35	100.72%	-16.77	86.50%	736.58
Subsidiaries								
DMI Housing Finance Private Limited	0.00%	-	-1.6%	-13.98	0.00%	-	-1.64%	-13.98
DMI Capital Private Limited	1.34%	299.89	10.5%	91.23	-0.72%	0.12	10.73%	91.35
DMI Management Services Private Limited	0.01%	2.53	-0.2%	-1.93	0.00%	-	-0.23%	-1.93
Associate (Investment as per Equity Method)								
DMI Alternatives Private Limited	0.00%	-	4.6%	39.56	0.00%	-	4.65%	39.56
Total	100.00%	22,304.20	100.0%	868.23	100.00%	-16.65	100.00%	851.58
Adjustments arising out of consolidation		-170.70		-54.99		-		-31.53
Total		22,133.50		813.25		-16.65		820.05

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: 11-09-19

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

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

Tatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place: New Delhi
Date: 11/09/2019