S.N. Dhawan & CO LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
DMI FINANCE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.

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The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements:

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

Key Audit matters	How our audit addressed the key audit matters
effectively to ensure reliable financial reporting	tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Other Matter

The comparative financial information of the Company as at and for the year ended March 31, 2021 included in the standalone financial statements have been audited by the predecessor auditor, who have expressed unmodified opinion vide their report dated June 21, 2021.

Our opinion on the standalone financial statements is not modified in respect of above matter on the comparative financial information

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

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i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 44 to the standalone financial statements.

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

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

iv.

(a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to account, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer note 59 to the financial statements.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer note 59 to the financial statements.

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

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

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

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AJHIGH2925

Place: New Delhi
Date: 20 May,2022

Annexure A to the Independent Auditor's Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **DMI FINANCE PRIVATE LIMITED** on the standalone financial statements as of and for the year ended 31 March 2022)

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

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant detail of Right of use assets.

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

(b) The Company has a regular program of physical verification of its Property, Plant and Equipment and Right of use assets, under which Property, Plant and Equipment and Right of use assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment and Right of use assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

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

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 50 million, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company.

(iii)

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

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

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

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

Category of loan	Stage 2 (Million Rs.)	Stage 3 (Million Rs.)
Consumer loans	931.47	69.45
Corporate loans	192.95	774.83

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

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than 90 days as at 31 March 2022 is Rs. 844.28 million. In our opinion and according to the information and explanation made given to us, reasonable steps are been taken by the Company for recovery of overdue amount of principal and interest.

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

(f) According to the information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances either repayable in demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made, guarantees issued, and security provided.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and there are no amounts which are deemed to be deposits during the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Further the Company had no unclaimed deposits at the beginning of the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act,

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in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

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

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

(viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

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

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

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

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes during the year, by the Company.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the

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Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as applicable.

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

(x)

(a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) The Company has made private placement of equity shares during the year. For such allotment of shares, the Company has complied with the requirement of Section 42 and Section 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending allocation. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi)

(a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud amounting to Rs. 895.00 million comprising of 113 instances noticed and reported by the management in terms of the regulatory provisions applicable to the Company, as mentioned note 54 (v) of standalone financial statements.

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv)

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

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

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(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.

(xvi)

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

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

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

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

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

(xviii) There has been change in statutory auditors of the Company pursuant to RBI Guidelines for appointment of auditors for NBFCs issued on April 27, 2021. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the outgoing statutory auditors of the Company.

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

(xx)

(a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

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

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AJHIGH2925

Place: New Delhi
Date: 20 May,2022

Annexure B

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

We have audited the internal financial controls with reference to financial statements of DMI FINANCE PRIVATE LIMITED ("the Company") as at 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of

S.N. DHAWAN & CO LLP GURUGRAM CHARTERED ACCOUNTANTS records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN No.: 22087701AJHIGH2925

Place: New Delhi
Date: 20 May,2022

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

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,533.27	2,476.26
Bank balance other than cash and cash equivalents	5	294.45	267.21
Trade receivables	6	57.07	54.64
Loans	7	46,801.15	31,097.73
Investments	8	10,688.86	18,488.52
Other financial assets	9	1,608.08	2,035.85
Total financial assets		**65,982.88**	**54,420.21**
Non-financial assets			
Current tax assets	10	284.71	214.39
Deferred tax assets (net)	11	803.53	573.29
Property, plant and equipment	12	104.18	116.15
Capital work in progress	13	23.27	-
Right of use assets	14	234.95	210.71
Other intangible assets	15	31.41	22.80
Other non- financial assets	16	103.56	94.66
Total non-financial assets		**1,585.61**	**1,232.00**
Assets held for sale	17	143.88	189.85
TOTAL ASSETS		**67,712.37**	**55,842.06**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
A) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		94.79	110.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		659.67	411.61
B) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		379.87	228.80
Debt securities	19	18,552.27	18,551.69
Borrowings (other than debt securities)	20	8,965.53	1,181.19
Lease liabilities	21	276.36	242.29
Other financial liabilities	22	162.87	157.10
Total financial liabilities		**29,091.36**	**20,883.43**
Non financial liabilities			
Provisions	23	77.25	56.73
Other non-financial liabilities	24	62.89	48.00
Total non-financial liabilities		**140.14**	**104.73**
EQUITY			
Equity share capital	25	6,567.00	6,436.58
Other equity	26	31,913.87	28,417.32
TOTAL LIABILITIES AND EQUITY		**67,712.37**	**55,842.06**

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place
Date: 20 May 2022

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

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

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place:
Date: 20 May 2022

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

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Interest income	27	7,837.11	6,910.64
Fees and commission income	28	118.86	38.79
Net gain on fair value changes	29	1,005.79	591.04
Total revenue from operations		**8,961.76**	**7,540.47**
Other income	30	144.51	104.04
Total income		**9,106.27**	**7,644.51**
Expenses			
Finance costs	31	1,916.53	1,891.68
Fees and commission expense	32	671.05	903.63
Impairment on financial instruments	33	3,411.93	2,848.74
Employee benefits expense	34	839.86	698.99
Depreciation, amortization and impairment	35	98.68	79.07
Other expenses	36	1,386.69	910.38
Total expenses		**8,324.74**	**7,332.49**
Profit before tax		**781.53**	**312.02**
Tax expense/ (credit):			
(1) Current tax	47	645.05	344.13
(2) Deferred tax	47	(441.32)	(255.19)
Income tax expense		**203.73**	**88.94**
Net profit for the year		**577.80**	**223.08**
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		0.52	2.44
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		837.53	-
Income tax relating to above		(210.94)	(0.61)
Subtotal (a)		627.11	1.83
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value changes		0.57	4.21
Income tax relating to above item		(0.14)	(1.06)
Subtotal (b)		0.43	3.15
Other comprehensive income		**627.54**	**4.98**
Total comprehensive income for the year		**1,205.34**	**228.06**
Earnings per equity share (face value of Rs. 10 per share)	37		
Basic (Rs.)		0.82	0.35
Diluted (Rs.)		0.81	0.32

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

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

Vinesh Jain
Vinesh Jain
Partner
Membership No. 087701

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

Place:
Date: 20 May 2022

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

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

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

DMI FINANCE P. LTD.
NEW DELHI

Sahil Rahwa
(Company Secretary)
M. No. A24789

Place:
Date: 20 May 2022

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

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	781.53	312.02
Adjustments for		
Depreciation and amortisation	98.68	79.07
Net gain on fair value changes	(1,005.79)	(591.04)
Impairment on financial instruments	3,603.77	2,848.74
Interest expense for leasing arrangements	16.09	31.02
Effective interest rate adjustment for financial instruments	12.76	15.81
Asset held for sale written off	45.97	-
Employee stock option/share warrant expense	79.01	75.78
Operating profit before working capital changes	**3,632.02**	**2,771.40**
Changes in working capital		
(Increase) in financial and other assets	(17,963.79)	(2,005.28)
Increase in financial and other liabilities	388.95	220.14
Decrease in non financial assets	(15.03)	6.65
Increase in non financial liabilities	35.92	141.76
Total of changes in working capital	**(17,553.95)**	**(1,636.73)**
Direct taxes paid (net of refunds)	(715.38)	(404.00)
Net cash flow generated from / (used in) operating activities (A)	**(14,837.31)**	**730.67**
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	(61.62)	(30.64)
Purchase of investment (net)	8,725.49	(2,993.38)
Movement of fixed deposits (net)	(27.24)	(252.01)
Net cash flow from / (used in) investing activities (B)	**8,636.63**	**(3,276.01)**
C Cash flow from financing activities:		
Proceed from issue of equity shares (including share premium)	2,342.62	9,701.22
Proceeds from debt securities	-	500.00
Proceeds from bank borrowings	8,850.00	700.00
Repayment of debt securities	-	(4,750.00)
Repayment of bank borrowings	(1,077.84)	(2,355.33)
Lease payments	(57.10)	(55.18)
Net cash flow generated from financing activities (C)	**10,057.68**	**3,830.71**
Net increase in cash and cash equivalents (A+B+C)	**4,057.00**	**1,285.37**
Cash and cash equivalents as at the beginning of the year	2,476.26	1,190.89
Cash and cash equivalents at the end of the year	**6,533.26**	**2,476.26**

Notes:

1) Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.05	0.08
Balance with banks		
In current accounts	4,182.81	2,106.38
In cash credit	1,350.41	369.80
deposits with original maturity of less than 3 months	1,000.00	-
Total cash and cash equivalents	**6,533.27**	**2,476.26**

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

3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 45

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

Place:
Date: 20 May 2022

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

Shivashish Chatterjee
(Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

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

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
No.: A24789

Place:
Date: 20 May 2022

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

DMI FINANCE PVT ★ NEW DELHI

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

A. Equity share capital (refer note 25)

	Number	INR Millions
For the year ended 31 March 2022		
Equity shares of INR 1 each issued, subscribed and fully paid		
At 1 April 2021	69,93,50,933	6,436.58
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2021	69,93,50,933	6,436.58
Issue of share capital (Note 15)	1,30,42,468	130.42
At 31 March 2022	71,23,93,401	6,567.00

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

	Reserves and Surplus							Other Comprehensive Income				
Particulars	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital reemption reserve	Upfront monies received on Share warrants	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Gain/(loss) on Fair Value changes (Debt and Equity)	Realised Gain on Investments	Total other comprehensive income	Total other equity
Balance as on April 1, 2020	932.84	14,547.77	66.58	-	81.21	-	3,509.84	(1.05)	30.12	-	29.07	19,167.31
Profit for the year	-	-	-	-	-	-	223.08	-	-	-	-	223.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-	1.83	3.15	-	4.98	4.98
Share options exercised during the year	-	-	74.37	-	-	-	-	-	-	-	-	74.37
Premium on issue of equity shares	-	8,947.58	-	-	-	-	-	-	-	-	-	8,947.58
Transfer to statutory reserve	44.62	-	-	-	-	-	(44.62)	-	-	-	-	-
Balance as on March 31, 2021	977.46	23,495.35	140.95	-	81.21	-	3,688.30	0.78	33.27	-	34.05	28,417.32
Profit for the year	-	-	-	-	-	-	577.80	-	-	-	-	577.80
Other Comprehensive Income for the year	-	-	-	-	-	-	-	0.39	610.18	16.97	627.54	627.54
Transfer to special reserve	115.56	-	-	-	-	-	(115.56)	-	-	-	-	-
Share options exercised during the year	-	-	46.07	-	-	-	-	-	-	-	-	46.07
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	0.50	-	-	-	-	-	0.50
Trasnfer to Share Warrant reserve	-	-	-	32.44	-	-	-	-	-	-	-	32.44
Premium on issue of equity shares	-	2,212.20	-	-	-	-	-	-	-	-	-	2,212.20
Balance as on March 31, 2022	1,093.02	25,707.55	187.02	32.44	81.21	0.50	4,150.54	1.17	643.45	16.97	661.59	31,913.87

See accompanying notes forming part of the standalone financial statement

In terms of our report attached

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

Vinesh Jain
Partner
Membership No. 087701

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

Place:
Date: 20 May 2022

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place:
Date: 20 May 2022

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

Place:
Date: 20 May 2022

Krishan Gopal
(Chief Financial Officer)

Place:
Date: 20 May 2022

DMI FINANCE PVT. LTD. ★ NEW DELHI

Sahil Pahwa
(Company Secretary)
M No. A24789

Date: 20 May 2022

DMI Finance Private Limited

Notes to the standalone financial statements for the year ended March 31, 2022

1 Corporate Information

DMI Finance Private Limited is a Private Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification Number is (CIN) U65929DL2008PTC182749 on September 02, 2008.

The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on January 05, 2009 vide registration No. RBI N-14.03176.

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

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

2 Basis of preparation of Financial Statements

a) Statement of compliance

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

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

b) Basis of preparation and presentation

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

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

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

c) Basis of measurement

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

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

d) Presentation of financial statements

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

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

3.1 Summary of significant accounting policies

a) Use of estimates,judgements and assumptions

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

i. Business Model Assessment

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

S. N. Dhawan & Co. LLP Gurugram Chartered Accountants

DMI Finance Pvt. Ltd. New Delhi

ii. **Impairment of financial assets**

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 7.1 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at Mach 31, 2022.

iii. **Share-based payments**

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

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

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

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

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

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

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

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

b) **Cash and cash equivalents**

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

c) **Revenue recognition**

i. **Interest income**

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

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

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

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

ii. **Income other than interest**

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

A. **Fee and commission income**

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

B. Net gain/loss on fair value changes
Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate,the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

C. Other Income
Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date. The company also recognises gain on fair value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

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

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

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

e) Intangible Assets
Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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

f) Depreciation and amortization
Depreciation
Depreciation on property, plant and equipment's is calculated on written down value (WDV) basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particulars	Useful Life (years)
Furniture and Fixtures	10
Vehicle	8
Computer, printers	3-6
Office Equipment	5

Leasehold improvements and allied office equipment's are amortized on a straight-line basis over useful life estimated by management.
Salvage Value of the assets has been taken five percent of Original Cost (except intangible assets) as prescribed in Schedule II.
Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

Amortization
The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

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

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h) Leases

i. Company as a lessee:

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

ii. Measurement and recognition:

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

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

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

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

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

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

j) Contingent liabilities and assets

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

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

Contingent liabilities are reviewed at each balance sheet date.

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

k) Employee benefits

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

ii. Defined benefit plan
The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.
Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

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

l) Foreign currencies

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

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

m) Taxes

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

Current tax

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

Deferred tax

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

n) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. **Financial Assets**

A. **Initial recognition and measurement**
The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Company measures bank balances, loans and advances, trade receivables and other financial instruments at amortised cost.

B. **Classification and subsequent measurement**
The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement , financial assets are classified in three categories:
- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)

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C. Debt instruments at amortised costs

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

D. Debt instruments at FVTOCI

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

E. Debt instruments at FVTPL

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

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

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

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

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

F. Derecognition

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

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

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

II. Equity investments and Mutual funds

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

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

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iii. Financial Liabilities

A. Initial recognition and measurement

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

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

B. Loans, Debenture and borrowings

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

C. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

D. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

E. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired, An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new fi.nancial liability, Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

G. Reclassification of financial assets and liabilities

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

H. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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I. **Impairment of financial assets**

i. Overview of the impairment principles ('ECL')

In accordance with Ind AS 109, the Company is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Company is required to determine lifetime losses on financial instruments where credit risk has increased significantly since its origination. For other instruments, the Company is required to recognize credit losses over next 12 month period. The Company has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Company has a process to assess credit risk of all exposures at each year end as follows:

Stage I
These represent exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date. The Company has assessed that all standard exposures (i.e. exposures with no overdues) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Company measures ECL on such assets over next 12 months.

Stage II
Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company measures lifetime ECL on stage II loans.

Stage III
All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

ii. The calculation of ECLs

The mechanics of the ECL calculation involve the use of following key elements:
Probability of default (PD) - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Company.
Exposure at default (EAD) – It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAS by the Company. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.
Loss given default (LGD) – It represents an estimate of the loss expected to be incurred when the event of default occurs. The Company uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

iii. Definition of Default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage III (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage III if there is significant deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the Company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage III for ECL calculations or whether Stage II is appropriate.
Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.
It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

iv. Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded gin the methodology to reflect such macro-economic trends reasonably.

v. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

vi.Collateral repossessed

The Company's policy is to sell repossessed assets. Non-financial assets repossessed are transferred to asset held for sale at fair value less cost to sell or principal outstanding whichever is less at repossession date.

p) Share based payments

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

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

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

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

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r) Interest in Subsidiaries and associate entities

Investment in subsidiaries and associate entities are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down value immediately to its recoverable amount. On disposal of investment in subsidiaries or the loss of significant influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

s) Borrowing Cost

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

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

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

3.2 Recent pronouncements

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

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

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

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

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

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

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

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

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

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4 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.05	0.08
Balance with banks		
- balance in cash credit and overdraft accounts	1,350.41	369.80
- balance in current accounts	4,182.81	2,106.38
- deposits with original maturity of less than 3 months	1,000.00	-
	6,533.27	**2,476.26**

5 Bank balance other than cash and cash equivalents

Deposit with original maturity of more than 3 months*	294.45	267.21
	294.45	**267.21**

* Deposits being lien marked against corporate credit cards and overdraft accounts.

6 Trade receivables

Unsecured considered good	57.07	54.64
	57.07	**54.64**
Less: Impairment loss allowance	-	-
Total	**57.07**	**54.64**

Trade receivables from related parties (see note 40)

Trade receivables Ageing Schedule

As at 31 March 2022

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	57.07	-	-	-	-	57.07
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Note: The ageing of trade receivables has been determined from the transaction date	-	-	-	-	-	-
	57.07	-	-	-	-	**57.07**

As at 31 March 2021

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	54.64	-	-	-	-	54.64
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
	54.64	-	-	-	-	**54.64**

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7 Loans

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

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

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

Notes:

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

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

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

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

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

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Key management personnel (KMP)	-	0.48	-	0.00%

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7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	32,855.94	931.47	69.45	33,856.86	17,909.93	1,343.73	-	19,253.66
Less: Impairment loss allowance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.01
Net carrying amount	**32,571.74**	**702.71**	-	**33,274.45**	**17,827.46**	**1,022.19**	-	**18,849.65**

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	15,080.82	192.95	774.83	16,048.60	12,794.98	-	1,071.56	13,866.54
Less: Impairment loss allowance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.46
Net carrying amount	**13,225.26**	**167.67**	**133.78**	**13,526.70**	**11,813.94**	-	**434.13**	**12,248.08**

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

Credit substitutes and compulsory convertible debentures	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,057.64	-	351.99	4,409.62	2,265.67	280.64	351.99	2,898.29
Less: Impairment loss allowance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12
Net carrying amount	**2,864.31**	-	**32.13**	**2,896.44**	**1,923.40**	**278.07**	**101.70**	**2,303.17**

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

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**17,909.93**	**1,343.73**	-	**19,253.66**	**20,656.64**	**1,193.85**	**290.78**	**22,141.27**
New Assets originated, Netted off for repayments and loans derecognised during the year	15,164.63	(574.39)	12.96	14,603.20	(2,114.24)	(483.70)	(289.67)	(2,887.61)
Transfers from Stage 1	(235.19)	193.76	41.43	-	(678.04)	678.04	-	-
Transfers from Stage 2	16.56	(31.62)	15.06	-	44.80	(44.80)	-	-
Transfers from Stage 3	-	-	-	-	0.77	0.34	(1.11)	-
Gross carrying amount closing balance	**32,855.94**	**931.47**	**69.45**	**33,856.86**	**17,909.93**	**1,343.73**	-	**19,253.66**

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**12,794.98**	-	**1,071.56**	**13,866.54**	**10,282.55**	**1,218.12**	**1,081.34**	**12,582.01**
New Assets originated, Netted off for repayments and loans derecognised during the year	2,478.79	-	(296.73)	**2,182.06**	1,294.31		(9.78)	**1,284.53**
Transfers from Stage 1	(192.95)	192.95	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	1,218.12	(1,218.12)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**15,080.82**	**192.95**	**774.83**	**16,048.60**	**12,794.98**	-	**1,071.56**	**13,866.54**

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

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,265.67**	**280.64**	**351.99**	**2,898.29**	**2,187.67**	-	**339.00**	**2,526.67**
New Assets originated, Netted off for repayments and loans derecognised during the year	1,511.33	-	-	**1,511.33**	358.64		12.99	**371.63**
Transfers from Stage 1	-	-	-	-	(280.64)	280.64		-
Transfers from Stage 2	280.64	(280.64)	-	-	-			-
Transfers from Stage 3	-	-	-	-				-
Gross carrying amount closing balance	**4,057.64**	-	**351.99**	**4,409.62**	**2,265.67**	**280.64**	**351.99**	**2,898.29**

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

Consumer loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	82.47	321.54	-	404.01	206.57	142.66	290.78	640.01
Change in ECL due to change in ECL model rate	10.86	47.00	52.69	110.55	(19.25)	102.71	-	83.46
New Assets originated, Netted off for repayments and loans derecognised during the year	279.75	(172.17)	1,372.30	1,479.88	(101.99)	(75.44)	1,511.09	1,333.66
Transfers from Stage 1	(89.01)	47.59	41.43	-	(3.07)	162.25	-	159.17
Transfers from Stage 2	0.14	(15.20)	15.06	-	0.20	(10.72)	-	(10.52)
Transfers from Stage 3	-	-	-	-	0.00	0.08	-	0.09
Write Offs	-	-	(1,412.03)	(1,412.03)	-	-	(1,801.87)	(1,801.87)
Gross carrying amount closing balance	284.20	228.76	69.45	582.41	82.47	321.54	-	404.01

Corporate loans	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	981.04	-	637.43	1,618.46	152.19	26.24	551.34	729.77
Change in ECL due to change in ECL model rate	543.93	-	30.44	574.37	395.60		88.29	483.89
New Assets originated, Netted off for repayments and loans derecognised during the year	355.88	-	(26.81)	329.07	407.01		(2.21)	404.80
Transfers from Stage 1	(25.29)	25.29	-	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	26.24	(26.24)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,855.56	25.29	641.05	2,521.90	981.04	-	637.43	1,618.46

An analysis of changes in the ECL allowances of Investment in relation to Credit Substitutes and Compulsory Convertible Debentures (refer note 8) is, as follows:

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	342.26	2.57	250.29	595.12	23.00	-	177.95	200.95
Change in ECL due to change in ECL model rate	531.15	-	69.56	600.71	280.99		65.52	346.51
ECL on new assets originated, netted off for repayments and loans derecognised during the year	317.35	-	-	317.35	40.79	0.05	6.82	47.66
Transfers from Stage 1	-	-	-	-	(2.52)	2.52		-
Transfers from Stage 2	2.57	(2.57)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Write Offs	-	-	-	-	-	-	-	-
ECL allowance closing balance	1,193.33	-	319.85	1,513.18	342.26	2.57	250.29	595.12

7.2 Collateral

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

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

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

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

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8 Investments

As at March 31, 2022	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A) Equity instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	5.12	5.12
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Equity shares in Appnit Technologies Private Limited	-	-	-	-	463.03	463.03
Subtotal	-	-	-	-	470.10	470.10
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.37	3.37	-	3.37
Equity shares in McNally Bharat Engineering Company Limited	-	-	-	-	-	-
Equity shares in Flash Electronics Private Limited	-	-	793.97	793.97	-	793.97
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	215.76	215.76	-	215.76
Subtotal	-	-	1,013.10	1,013.10	-	1,013.10
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	363.84	-	363.84	-	363.84
Compulsorily convertible preference shares in Appnit Technologies Private Limited	-	-	-	-	21.97	21.97
Subtotal	-	363.84	-	363.84	21.97	385.81
Mutual funds						
234,062.94 units of Baroda BNP Paribas Liquid Fund - Direct Growth	-	574.14	-	574.14	-	574.14
418,933.27 HDFC Liquid Fund - Direct Plan - Growth Option	-	1,753.13	-	1,753.13	-	1,753.13
468,743.91 SBI Liquid Fund Direct Growth	-	1,562.37	-	1,562.37	-	1,562.37
208,156.56 UTI Liquid Cash Plan - Direct Plan - Growth	-	726.06	-	726.06	-	726.06
1,879,040.68 ICICI Liquid Fund - DP Growth	-	592.38	-	592.38	-	592.38
212,254.65 Axis Liquid Fund - Direct Growth	-	501.79	-	501.79	-	501.79
Subtotal	-	5,709.86	-	5,709.86	-	5,709.86
Compulsory or Optionally Convertible Debentures						
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each	-	-	1,148.13	1,148.13	-	1,148.13
1,777 Compulsory convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,000 each	-	631.43	-	631.43	-	631.43
4,200 Optionally convertible debentures in Azad Engineering India Private Limited of face value of Rs. 1,00,00 each	-	434.44	-	434.44	-	434.44
Subtotal	-	1,065.87	1,148.13	2,214.00	-	2,214.00
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	69.50	-	23.76	93.26	-	93.26
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	626.00	-	-	626.00	-	626.00
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.07	351.99	-	351.99
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	822.30	-	311.41	1,133.71	-	1,133.71
Subtotal	1,690.72	-	514.24	2,204.96	-	2,204.96
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	10.10	-	10.10
Subtotal	-	194.11	10.10	204.21	-	204.21
Total (A) Gross	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (A) Net	542.46	7,271.89	2,382.44	10,196.79	492.07	10,688.86
(B) Investments outside India	-	-	-	-	-	-
Investments in India	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Total (B) Gross	1,690.72	7,333.68	2,685.57	11,709.97	492.07	12,202.04
Less: Impairment loss allowance	1,148.26	61.79	303.13	1,513.18	-	1,513.18
Total (B) Net	542.46	7,271.89	2,382.44	10,196.79	492.07	10,688.86

* At cost

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As at March 31, 2021	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
(A) Equity Instruments						
Investments in Subsidiaries / Associates						
Equity shares in DMI Management Services Private Limited	-	-	-	-	0.96	0.96
Equity shares in DMI Alternatives Private Limited	-	-	-	-	4.99	4.99
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Subtotal	-	-	-	-	6.94	6.94
Others						
Equity shares in DMI Consumer Credit Private Limited	-	-	3.27	3.27	-	3.27
Equity shares in McNally Bharat Engineering Company Limited	-	25.12	-	25.12	-	25.12
Equity shares in Flash Electronics Private Limited	-	-	304.40	304.40	-	304.40
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	226.20	226.20	-	226.20
Subtotal	-	25.12	533.87	558.99	-	558.99
Preference shares						
Investments in Subsidiaries / Associates						
Compulsorily convertible preference shares in DMI Capital Private Limited	-	312.78	-	312.78	-	312.78
Subtotal	-	312.78	-	312.78	-	312.78
Mutual funds						
1,844,321 units in HDFC Liquid Fund - Direct Plan - Growth	-	7,461.24	-	7,461.24	-	7,461.24
1,893,629 units in SBI Liquid Fund Direct Growth		6,100.55	-	6,100.55	-	6,100.55
213,248 units in Baroda Pioneer Liquid Fund - Plan B Growth		505.24		505.24	-	505.24
1,666,137 units in ICICI Prudential Liquid Fund Direct Plan Growth		507.74	-	507.74	-	507.74
Subtotal	-	14,574.77	-	14,574.77	-	14,574.77
Debt instruments						
500 units of State Bank of India Series - II non-convertible debenture	527			526.75	-	526.75
7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 fully paid up	-	-	826.47	826.47	-	826.47
Subtotal	526.75	-	826.47	1,353.22	-	1,353.22
Credit Substitutes						
472 units of Panchsheel Buildtech Private Limited of face value Rs 1,000,000 fully paid up	209.85	-	71.73	281.58	-	281.58
500 units of Radiant Polymers Private Limited of face value Rs 1,000,000 fully paid up	596.12	-	-	596.12	-	596.12
629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up	172.92	-	179.08	352.00	-	352.00
705 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	566.44	-	244.80	811.24	-	811.24
211 units of Fantasy Buildwell Private Limited of face value Rs 1,000,000 fully paid up	28.81	-	2.07	30.88	-	30.88
Subtotal	1,574.14	-	497.68	2,071.82	-	2,071.82
Other instruments						
Security receipts in Alchemist XV Trust	-	194.11	-	194.11	-	194.11
Units of DMI AIF Special Opportunities Scheme	-	-	11.01	11.01	-	11.01
Subtotal	-	194.11	11.01	205.12	-	205.12
Total (A) - Gross	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (A) Net	1,698.63	15,106.78	1,676.17	18,481.58	6.94	18,488.52
(B) Investments outside India	-	-	-	-	-	-
Investments in India	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Total (B) - Gross	2,100.89	15,106.78	1,869.03	19,076.70	6.94	19,083.64
Less: Impairment loss allowance	402.26	-	192.86	595.12	-	595.12
Total (B) - Net	1,698.63	15,106.78	1,676.17	18,481.58	6.94	18,488.52

* At cost

Notes:

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

(ii) Information of subsidiaries and associates

Name of entity	Principal Activity	Place of incorporation	Principal place of business	As at March 31, 2022	As at March 31, 2021
Subsidiaries					
DMI Management Services Private Limited	Financial Service (Asset Management)	Delhi	Delhi	100.00%	100.00%
DMI Capital Private Limited	Financial Service (Merchant Banking)	Delhi	Delhi	100.00%	100.00%
Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)	Financial Services(Prepaid Instrument Issuer)	Lucknow, Uttar Pradesh	NOIDA, Uttar Pradesh	94.04%	NA
Associate					
DMI Alternatives Private Limited	Investment Manager	Delhi	Delhi	49.00%	49.00%

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9 Other financial assets (at amortized cost)

	As at March 31, 2022	As at March 31, 2021
Security deposit	25.55	21.17
First loss default guarantee recoverable	90.54	1,114.82
Ex-gratia interest benefit	-	99.47
Interest accrued on fixed deposits	13.74	-
Money with partners pending for disbursement	898.89	277.56
Unbilled revenue and recoverables	579.36	522.83
Total	**1,608.08**	**2,035.85**

10 Current tax assets

Advance Income-tax (net)	284.71	214.39
Total	**284.71**	**214.39**

11 Deferred tax assets

Deferred tax liability		
Fair value of financial instruments	455.81	82.80
Difference in income recognition on unrealized gain on mutual fund investments	18.31	69.48
Total deferred tax liabilities	**474.12**	**152.28**
Deferred tax asset		
Provision for employee benefits	19.45	14.28
Difference in written down value as per Companies Act and Income-tax Act	11.30	6.47
EIR adjustment for processing fee	77.29	30.81
Liability against leases	9.91	7.44
Impairment loss allowance	1,131.17	640.90
Carry forward of interest disallowed u/s 94B	28.53	25.67
Gross deferred tax asset	**1,277.65**	**725.57**
Net Deferred Tax (Liability)/ Asset	**803.53**	**573.29**

Movement of deferred tax assets	**As at March 31, 2021**	**(Charged)/ credited to statement of profit and loss**	**(Charged)/credited to other comprehensive income**	**As at March 31, 2022**
Liabilities				
Fair value of financial instruments	82.80	162.07	210.94	455.81
Difference in income recognition on unrealized gain on mutual fund investments	69.48	(51.17)	-	18.31
Deferred Tax Liabilities	**152.28**	**110.90**	**210.94**	**474.12**
Assets				
Provision for employee benefits	14.28	5.31	(0.14)	19.45
Difference in written down value as per Companies Act and Income-tax Act	6.47	4.83	-	11.30
EIR adjustment for processing fee	30.81	46.48	-	77.29
Liability against leases	7.44	2.47	-	9.91
Impairment loss allowance	640.90	490.27	-	1,131.17
Carry forward of interest disallowed u/s 94B	25.67	2.86	-	28.53
Deferred Tax Assets	**725.57**	**552.22**	**(0.14)**	**1,277.65**
Net Deferred tax asset	**573.29**	**441.32**	**(211.08)**	**803.53**

Movement of Deferred tax assets	**As at March 31, 2020**	**(Charged)/ credited to statement of profit and loss**	**(Charged)/ credited to other comprehensive income**	**As at March 31, 2021**
Liabilities				
Fair value of financial instruments	75.07	6.67	1.06	82.80
Difference in income recognition on unrealized gain on mutual fund investments	16.75	52.73	-	69.48
Deferred Tax Liabilities	**91.82**	**59.40**	**1.06**	**152.28**
Assets				
Provision for employee benefits	9.55	5.34	(0.61)	14.28
Difference in written down value as per Companies Act and Income-tax Act	5.91	0.56	-	6.47
EIR adjustment for processing fee	-	30.81	-	30.81
Liability against leases	3.96	3.48	-	7.44
Impairment loss allowance	366.51	274.39	-	640.90
Carry forward of interest disallowed u/s 94B	25.67	-	-	25.67
Deferred tax assets	**411.60**	**314.58**	**(0.61)**	**725.57**
Net Deferred tax assets	**319.78**	**255.19**	**(1.67)**	**573.29**

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

	Furniture and fixtures	Computers	Vehicles	Office equipment	Lease hold Improvements	Total
Gross carrying amount						
Balance as at March 31, 2020	1.47	28.79	5.36	31.39	141.24	208.25
Additions	0.41	8.52	-	0.47	-	9.40
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	1.88	37.31	5.36	31.86	141.24	217.65
Additions	-	19.54	-	0.47	-	20.01
Disposals	(0.04)	-	-	(0.28)	(3.97)	(4.30)
Balance as at March 31, 2022	1.84	56.85	5.36	32.04	137.27	233.36
Accumulated depreciation						
Balance as at March 31, 2020	0.69	19.78	3.79	15.19	29.94	69.39
Charge for the year	0.21	7.76	0.48	7.23	16.43	32.11
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	0.90	27.54	4.27	22.42	46.37	101.50
Charge for the year	0.25	11.28	0.33	4.08	15.81	31.75
Disposals	(0.03)	-	-	(0.27)	(3.77)	(4.07)
Balance as at March 31, 2022	1.12	38.82	4.60	26.23	58.41	129.18
Net carrying amount						
As at March 31, 2020	0.78	9.01	1.57	16.20	111.30	138.86
As at March 31, 2021	0.98	9.77	1.09	9.44	94.87	116.15
As at March 31, 2022	0.72	18.02	0.76	5.81	78.86	104.18

Notes:

I) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 13 - Right of use assets.

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

III) There is no proceeding initiated against the Company for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

13 Capital work in progress

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

As at 31 March, 2022

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

As at 31 March, 2021

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

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

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14 Right of use assets

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

Note: For other details please refer Note 46

15 Other intangible assets

	Software	Total
Gross carrying amount		
Balance as at March 31, 2020	15.66	15.66
Additions	24.25	24.25
Disposals	-	-
Balance as at March 31, 2021	39.91	39.91
Additions	24.69	24.69
Disposals	-	-
Balance as at March 31, 2022	64.60	64.60
Amortization		
Balance as at March 31, 2020	8.11	8.11
Additions	9.00	9.00
Disposals	-	-
Balance as at March 31, 2021	17.11	17.11
Additions	16.09	16.09
Disposals	-	-
Balance as at March 31, 2022	33.20	33.20
Net carrying amount		
As at March 31, 2020	7.55	7.55
As at March 31, 2021	22.80	22.80
As at March 31, 2022	31.41	31.41

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		As at March 31, 2022	As at March 31, 2021
16	**Other non- financial assets**		
	Capital advance	-	6.13
	Prepaid expenses	102.57	87.80
	Other non-financial assets	1.00	0.73
	Total	**103.56**	**94.66**
17	**Assets held for sale**		
	Assets under settlement (see note below)	143.88	189.85
		143.88	**189.85**

Note : These assets represent assets acquired from the Company's borrowers as a part of Company's risk management strategy. In these cases, the Company had entered into settlement agreement as a prudent measure by the management wherein the borrower was approached and there was a mutual consensus between the Company and borrower to transfer the asset in the name of the Company towards settlement of the loan amount.

Basis the development during the current year, the Company, on prudent basis, has written off asset under settlement amounting to Rs. 45.97 million.

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

		As at March 31, 2022	As at March 31, 2021
18	**Payables**		
a.	**Trade payables**		
	i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	94.79	110.75
	ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	659.67	411.61
		754.46	**522.36**
b.	**Other payables**		
	i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)	-	-
	ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	228.80
		379.87	**228.80**
	Total	**1,134.33**	**751.15**

I) Trade payable and other payable ageing schedule

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	94.79	-	-	-	94.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	997.44	33.92	5.10	3.08	1,039.54
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**1,092.23**	**33.92**	**5.10**	**3.08**	**1,134.33**

As at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	110.75	-	-	-	110.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	616.52	14.27	9.61	-	640.40
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**727.27**	**14.27**	**9.61**	**-**	**751.15**

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

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

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

19 Debt securities (at amortised cost)

	As at March 31, 2022	As at March 31, 2021
Non convertible debentures (refer note 19.1)	18,552.27	18,551.69
Optionally convertible debentures (refer note 19.2)	-	-
	18,552.27	**18,551.69**
Secured **	499.27	498.69
Unsecured	18,053.00	18,053.00
Total	**18,552.27**	**18,551.69**
Debt securities in India	18,552.27	18,551.69
Debt securities outside India	-	-
Total	**18,552.27**	**18,551.69**

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

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

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

A Secured

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

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

B Unsecured

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

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	As at March 31, 2022	As at March 31, 2021
20 Borrowings (other than debt securities) (at amortised cost)		
Secured*		
Term loans		
From banks (See note i and iii below)	8,717.10	1,181.19
Cash credit and overdraft		
From banks (See note ii below)	248.43	-
	8,965.53	**1,181.19**
Borrowings in India	8,965.53	1,181.19
Borrowings outside India	-	-
Total	**8,965.53**	**1,181.19**

Notes:

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

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

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

Lender	Disbursement Amount	Repayment	Rate of interest	Security cover	Outstanding as on March 31,2022	Outstanding as on March 31, 2021
Bank of Baroda	1,000	16 quarterly installments	>6.00%<10.5%	133%	248.50	494.24
Bank of Baroda	500	16 monthly installments	>6.00%<10.5%	133%	373.33	497.05
Bank of Baroda	500	16 quarterly installments	>6.00%<10.5%	133%	497.50	-
Karnataka Bank Limited	200	11 quarterly installments	>6.00%<10.5%	125%	163.22	-
Bank of Maharashtra	500	42 monthly installments	>6.00%<10.5%	125%	476.93	-
HDFC Bank Limited	300	16 quarterly installments	>6.00%<10.5%	133%	-	56.21
HDFC Bank Limited	750	8 quarterly installments	>6.00%<10.5%	125%	512.55	-
HDFC Bank Limited	800	8 quarterly installments	>6.00%<10.5%	125%	797.04	-
State Bank Of India	1,000	15 quarterly installments	>6.00%<10.5%	125%	865.74	-
Karnataka Bank Limited	250	11 quarterly installments	>6.00%<10.5%	125%	221.86	-
Kotak Mahindra Bank Limited	400	24 monthly installments	>6.00%<10.5%	133%	349.44	-
IndusInd Bank Limited	500	12 quarterly installments	>6.00%<10.5%	133%	495.74	-
Punjab National Bank	500	35 monthly installments	>6.00%<10.5%	133%	483.82	-
South Indian Bank Limited	300	14 quarterly installments	>6.00%<10.5%	133%	-	85.61
South Indian Bank Limited	500	15 quarterly installments	>6.00%<10.5%	125%	499.04	-
Indian Bank	750	16 quarterly installments	>6.00%<10.5%	125%	746.57	-
AU Small Finance Bank Limited	450	36 monthly installments	>6.00%<10.5%	110%	-	0.92
Union Bank of India Limited	550	14 quarterly installments	>6.00%<10.5%	133%	-	27.17
Small Industries Development Bank of India	200	7 monthly Installments	>6.00%<10.5%	125%	-	20.00
State Bank Of India	2,000	15 quarterly installments	>6.00%<10.5%	125%	1,985.82	-
Total					**8,717.10**	**1,181.19**

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

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

Notes:

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

ii) There are no term loans from financial institutions.

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

iv)The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.

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

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

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	As at March 31, 2022	As at March 31, 2021
21 Lease liabilities		
Lease liabilities (refer note 46)	276.36	242.29
	276.36	**242.29**
22 Other financial liabilities		
Interest accrued but not due		
- Debt securities	156.43	156.43
- Borrowings other than debt securities	6.44	0.67
	162.87	**157.10**
23 Provisions		
Provision for gratuity (refer note 38)	32.58	22.78
Provision for compensation absences	44.67	33.95
	77.25	**56.73**
24 Other non-financial liabilities		
Statutory dues payable	58.18	44.65
Security Deposit	4.71	3.35
Total	**62.89**	**48.00**

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25 Equity share capital

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

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

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

25.2 Shares held by holding Company

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

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

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	51,98,89,603	72.98%	51,98,89,603	74.34%
NIS Ganesha S.A.	6,47,35,441	9.09%	6,47,35,441	9.26%
K2VZ	5,73,15,400	8.05%	5,73,15,400	8.20%

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

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

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

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25.4 Details of shares held by promoters

Particulars	As at 31 March 2022	As at 31 March 2021
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	51,98,89,603	43,89,39,922
Change during the year	-	8,09,49,681
No. of shares at the end of the year	51,98,89,603	51,98,89,603
% of total shares	72.98%	74.34%
% change during the year	-1.83%	4.38%

DMI Limited is the promoter of the Company

25.5 Rights, preferences and restrictions

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

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

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

25.7 Uncalled and Unpaid Capital

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

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26 Other equity

	As at March 31, 2022	As at March 31, 2021
Securities premium	25,707.55	23,495.35
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	1,093.02	977.46
Share based payment outstanding reserve	187.02	140.95
Share warrant reserve	32.44	-
Retained earnings	4,150.54	3,688.30
Other comprehensive income	661.59	34.05
Upfront monies received on share warrant	0.50	-
Total	**31,913.87**	**28,417.32**

Securities premium		
Opening balance	**23,495.35**	**14,547.77**
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	2,212.20	8,947.58
Closing balance	**25,707.55**	**23,495.35**
Capital redemption reserve		
Opening balance	**81.21**	**81.21**
Add : Additions during the year	-	-
Closing balance	**81.21**	**81.21**
Statutory reserve u/s 45-IC of RBI Act		
Opening balance	**977.46**	**932.84**
Add : Transfer during the year from Surplus in statement of profit and loss	115.56	44.62
Closing balance	**1,093.02**	**977.46**
Share based payment outstanding reserve		
Opening balance	**140.95**	**66.58**
Add: Granted/vested during the year	73.56	75.78
Less : Exercised during the year	(27.49)	(1.41)
Closing balance	**187.02**	**140.95**
Share warrant reserve		
Opening balance	-	-
Add : Addition during the year	32.44	-
Closing balance	**32.44**	-
Retained earnings		
Opening balance	3,688.30	3,509.84
Add : Profit for the year	577.80	223.08
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(115.56)	(44.62)
Closing balance	**4,150.54**	**3,688.30**

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	As at March 31, 2022	As at March 31, 2021
Upfront monies received on share warrant		
Opening balance	-	-
Add : Amount received during the year	0.50	-
Closing balance	**0.50**	-
Other Comprehensive Income		
Opening balance	34.05	29.07
Add: Remeasurement gain on defined benefit plan	0.39	1.83
Add : Gain on Fair Value changes (Debt and Equity)	610.18	3.15
Add: Realised Gain on Investments	16.97	-
Closing balance	**661.59**	**34.05**

Security premium

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

Capital redemption reserve

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

Statutory reserve u/s 45-IC of RBI Act

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

Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

Share warrant reserve

The reserve is used to recognise the fair value of the warrants issued to consultants of the Company and subsidiary companies.

Retained earnings

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

Upfront monies received on share warrant

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

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27 Interest Income

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial instruments measured at fair value through Profit & Loss	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest income on portfolio loans	-	7,280.54	30.22	-	6,394.70	18.35
Interest income on investments	22.89	310.55	154.84	-	286.79	175.86
Interest on deposits with bank	-	38.06	-	-	34.94	-
	22.89	**7,629.15**	**185.06**	-	**6,716.43**	**194.21**
Total Interest income			**7,837.11**			**6,910.64**

28 Fees and commission Income

	Amount Invoiced		Revenue booked	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Fee on card reload	21.42	18.48	21.42	18.48
Others *			97.44	20.31
	21.42	**18.48**	**118.86**	**38.79**

*includes income related other recoveries from Consumer loans

29 Net gain on fair value changes

	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit and loss		
on financial instruments designated at fair value through profit or loss	1,005.79	591.04
(B) others	-	-
	1,005.79	**591.04**
Analysis of fair value changes#		
Realised	716.69	355.03
Unrealised	289.10	236.01
	1,005.79	**591.04**

#shows the change from the date of investment

30 Other income

Cost sharing from group companies	122.74	104.04
Income on Treasury instruments	16.88	-
Miscellaneous income	4.89	-
	144.51	**104.04**

31 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,685.76	1,699.45
Interest on borrowings (other than debt securities)		
- on bank term loan	211.88	141.75
- on bank cash credit	0.58	0.32
Other Interest expense		
- on delayed deposit of statutory dues	0.08	0.81
- on leasing arrangements	16.09	24.54
Other borrowing costs	2.14	24.81
	1,916.53	**1,891.68**

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	Year ended March 31, 2022	Year ended March 31, 2021
32 Fees and commission expense		
Selling partner commission	671.05	903.63
	671.05	**903.63**

33 Impairment on financial instruments

	Year ended March 31, 2022			Year ended March 31, 2021		
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at fair value through Profit & Loss	On financial instruments measured at Amortised cost
Loans	6.88	-	1,074.96	0.75	-	651.95
Investments	110.27	61.79	746.00	98.31	-	295.86
Write offs	-	-	1,412.03	-	-	1,801.87
Total	**117.15**	**61.79**	**3,232.99**	**99.06**	-	**2,749.68**
			3,411.93			**2,848.74**

	Year ended March 31, 2022	Year ended March 31, 2021
34 Employee benefits expense		
Salaries, wages and bonus	706.26	572.46
Contribution to provident and other funds	22.34	24.25
Gratuity expenses (refer note 38)	10.44	8.14
Share based payment to employees	73.56	75.78
Staff welfare expenses	27.26	18.36
	839.86	**698.99**
35 Depreciation and amortization		
Depreciation on property, plant and equipment (See note 12)	31.75	32.11
Amortisation of right of use assets (See note 14)	50.84	37.96
Amortisation of other intangible assets (See note 15)	16.09	9.00
	98.68	**79.07**
36 Other expenses		
Advertisement expenses	8.85	18.67
Legal and professional fees*	587.71	353.28
Travelling and conveyance expenses	10.48	4.40
Auditor's remuneration (refer note 36.1)	4.05	4.04
IT expenses	255.21	145.65
Rates and taxes	1.76	1.55
Rent	4.58	12.65
Goods and service tax	198.45	174.95
Director's sitting fee	0.68	0.56
Corporate social responsibility (refer note 36.2)	17.40	23.62
Repair and maintenance	14.55	7.30
Insurance expense	0.24	0.10
Credit evaluation fee	151.27	116.07
Credit rating fee	5.24	2.05
Customer onboarding expenses	0.07	2.28
Assets held for sale written off	45.97	-
Miscellaneous expenses	80.18	43.21
	1,386.69	**910.38**

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

36.1 Auditor's remuneration (excluding applicable taxes)		
- as auditors	2.80	3.05
- for tax services	0.30	0.03
- for other services*	0.95	0.96
	4.05	**4.04**

* includes amount of INR 0.15 million paid to erstwhile auditor

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36.2 Corporate social responsibility (CSR)

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

	Year ended March 31, 2022	Year ended March 31, 2021
Gross amount unspent for the last year	-	-
Gross amount required to be spent by the Company during the year	17.40	23.62
Amount spent during the year	17.40	23.62
Construction/acquisition of any asset	-	-
Paid in cash	17.40	23.62
Yet to be paid in cash	-	-
Nature of CSR Activities		
Education, Nutrition and Women Empowerment	14.16	15.50
Promoting and development towards healthcare	2.74	5.12
Promoting Indian Classical art and culture among youth	0.50	-
Training and helping Indian Athletes to win Olympic Gold medals	-	2.00
Provide supporting in eradication of hunger	-	1.00

Notes :

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

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

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

37 Earning per share (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to equity shareholders	**577.80**	**223.08**
Net profit for the year for basic EPS	577.80	223.08
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	577.80	223.08
Nominal value of equity shares (In Rs.)	10.00	10.00
Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)	**70,34,43,054**	**63,55,56,623**
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	**71,55,44,050**	**69,64,77,457**
Basic EPS	**0.82**	**0.35**
Dilutive EPS	**0.81**	**0.32**

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38 Retirement benefit plan

Defined contribution plan

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

The total expense charged to income during the current year Rs. 22.34 millions (previous year: Rs. 24.25 millions) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plan

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

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

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

Changes in the defined benefit obligation:	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning of the year	22.78	17.08
Current service cost	8.90	6.99
Interest cost	1.54	1.15
Benefits Paid	(0.12)	-
Remeasurement (gain) / loss	(0.52)	(2.44)
Balance at the end of the year	**32.58**	**22.78**

Amount recognised in the statement of profit and loss is as under:	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Current service cost	8.90	6.99
Interest cost on defined benefit obligation	1.54	1.15
Net impact on profit before tax	**10.44**	**8.14**

Amount recognised in the other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial changes arising from changes in demographic assumptions	-	
Actuarial changes arising from changes in financial assumptions	(2.05)	
Experience adjustments	1.54	(2.44)
Impact on other comprehensive income	**(0.52)**	**(2.44)**

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

Economic assumptions		
Discount rate	7.18%	6.76%
Future salary increases	6.00%	6.00%
Demographic assumptions		
Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages (withdrawal rate)		
(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

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

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Sensitivity analysis for gratuity liability	Year ended March 31, 2022	Year ended March 31, 2021
Impact of the change in discount rate		
Impact due to increase of 0.50 %	(2.37)	(1.73)
Impact due to decrease of 0.50 %	2.61	1.91
Impact of the change in salary increase		
Impact due to increase of 0.50 %	2.63	1.92
Impact due to decrease of 0.50 %	(2.40)	(1.75)

The following is the maturity profile of gratuity:

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
0 to 1 year	0.49	0.23
1 to 2 year	0.52	0.36
2 to 3 year	0.52	0.36
3 to 4 year	0.55	0.39
4 to 5 year	0.55	0.40
5 to 6 year	0.70	0.38
6th year onwards	29.25	20.66
Total expected payments	**32.58**	**22.78**

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 20.17 years (Previous year : 20.27 years)

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39 Employee Stock Option Plan

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

Scheme Name	Date of grant	Date of Board / Committee approval	Number of Options granted	Method of settlement	Graded vesting period *	Number of employees to whom options were granted	First vesting date	Exercise period **	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	01-Apr-19	11-02-2020	6,46,899	Shares	See Below	40	31-03-2020	5 years	As per plan	95.49	95.49
DMI ESOP Retention Plan 2019	16-Mar-20	11-02-2020	14,00,000	Shares	See Below	10	15-03-2021	5 years	As per plan	100.00	101.87
DMI ESOP plan 2018	19-Mar-18	16-03-2018	24,527	Shares	See Below	6	18-03-2019	5 years	As per plan	43.90	22.81
DMI Retention Plan, 2018	01-Apr-18	16-03-2018	10,87,300	Shares	See Below	17	31-03-2019	5 years	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme	01-Oct-18	01-10-2018	5,86,222	Shares	See Below	5	30-09-2019	5 years	As per plan	62.21	95.49
DMI ESOP Plan, Legacy Scheme	01-Apr-18	16-03-2018	3,14,148	Shares	See Below	5	31-03-2019	5 years	As per plan	13.29	24.68
DMI Employment Contract 2020	16-Feb-21	09-04-2020	23,068	Shares	See Below	1	15-02-2024	5 years	As per plan	113.34	113.34
DMI Retention Bonus (NBFC Apr'20)	21-Apr-20	09-04-2020	5,80,000	Shares	See Below	17	31-03-2021	5 years	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	01-Apr-20	09-04-2020	3,88,823	Shares	See Below	44	31-03-2021	5 years	As per plan	116.36	116.36
DMI Variable2019-20	01-Jan-21	09-04-2020	9,865	Shares	See Below	2	31-03-2021	5 years	As per plan	113.34	113.34
DMI Finance Plan 2021	01-Apr-21	21-06-2021	4,33,708	Shares	See Below	61	01-04-2022	5 years	As per plan	113.34	113.00
DMI Finance Plan 2021	01-Apr-21	21-06-2021	2,00,000	Shares	See Below	2	01-04-2022	5 years	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	01-Apr-21	21-06-2021	4,30,000	Shares	See Below	24	01-04-2024	5 years	As per plan	113.34	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	21-06-2021	37,23,000	Shares	See Below	98	27-07-2024	5 years	As per plan	112.86	112.86
DMI Employment Contract 2021-22 - I	18-Nov-21	21-06-2021	2,222	Shares	See Below	1	18-11-2024	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - II	20-Dec-21	21-06-2021	12,210	Shares	See Below	1	20-12-2022	5 years	As per plan	209.00	209.00
DMI ESOP Plan, Management - III	15-Jan-22	21-06-2021	18,315	Shares	See Below	1	15-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - III	28-Jan-22	21-06-2021	6,106	Shares	See Below	1	28-01-2023	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - IV	01-Mar-22	21-06-2021	7,326	Shares	See Below	1	01-03-2025	5 years	As per plan	209.00	209.00
DMI Employment Contract 2021-22 - V	07-Mar-22	21-06-2021	3,664	Shares	See Below	1	07-03-2023	5 years	As per plan	209.00	209.00
Total			98,97,403			338					

Graded vesting period*

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

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

Exercise period **

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

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II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	2,97,496	-	24,527	0.96
DMI Retention Plan, 2018	14,83,942	-	3,96,642	-	10,87,300	1
DMI ESOP Plan, Management Scheme	6,04,396	-	18,174	-	5,86,222	1.5
DMI ESOP Plan, Legacy Scheme	18,27,677	-	15,13,529	-	3,14,148	1
DMI ESOP PLAN 2019	6,88,660	-	41,761	-	6,46,899	2
DMI ESOP RETENTION PLAN 2019	14,00,000	-	-	-	14,00,000	2.96
DMI Employment Contract 2020	23,068	-	-	-	23,068	3.88
DMI Retention Bonus (NBFC Apr'20)	5,80,000	-	-	-	5,80,000	3
DMI Finance ESOP Plan 2020	3,99,387	-	10,564	-	3,88,823	3
DMI Variable2019-20	11,355	-	1,490	-	9,865	3.76
DMI Finance Plan 2021	-	4,33,708	-	-	4,33,708	4.01
DMI Finance Plan 2021	-	2,00,000	-		2,00,000	4.01
Founder Circle Award 2020-21 (NBFC Apr'21)	-	4,30,000	-	-	4,30,000	4.01
Founder Circle Award 2020-21 (NBFC Jul'21)	-	37,23,000	-	-	37,23,000	4.33
DMI Employment Contract 2021-22 - I	-	2,222	-	-	2,222	4.64
DMI Employment Contract 2021-22 - II	-	12,210	-	-	12,210	4.73
DMI ESOP Plan, Management - III	-	18,315	-	-	18,315	4.8
DMI Employment Contract 2021-22 - III	-	6,106	-	-	6,106	4.83
DMI Employment Contract 2021-22 - IV	-	7,326	-	-	7,326	4.92
DMI Employment Contract 2021-22 - V	-	3,664	-	-	3,664	4.94
Total	73,40,508	48,36,551	22,79,656	-	98,97,403	

March 31, 2021

II. Reconciliation of options	Options outstanding at the beginning of the year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
DMI ESOP plan 2018	3,22,023	-	-	-	3,22,023	2
DMI Retention Plan, 2018	15,50,442	-	-	66,500	14,83,942	2
DMI ESOP Plan, Management Scheme	7,23,981	-	-	1,19,585	6,04,396	3
DMI ESOP Plan, Legacy Scheme	18,27,677	-	-	-	18,27,677	2
DMI ESOP PLAN 2019	7,72,377	-	-	83,717	6,88,660	3
DMI ESOP RETENTION PLAN 2019	17,00,000	-	-	3,00,000	14,00,000	4
DMI Employment Contract 2020	-	23,068	-	-	23,068	5
DMI Retention Bonus (NBFC Apr'20)	-	5,80,000	-	-	5,80,000	4
DMI Finance ESOP Plan 2020	-	3,99,387	-	-	3,99,387	4
DMI Variable2019-20	-	11,355	-	-	11,355	5
Total	68,96,500	10,13,810	-	5,69,803	73,40,508	

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

III. Computation of fair value

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

ESOP PLAN	Fair market value of shares (Rs.)	Volatility	Risk free rate	Dividend Yield	Exercise price (Rs.)	Option fair value
DMI ESOP PLAN 2019	95.49	30.00%	7.35%	-	95.49	38.86
DMI ESOP RETENTION PLAN 2019	101.87	30.00%	6.50%	-	100.00	40.75
DMI ESOP PLAN 2018	22.81	15.00%	6.00%	-	43.90	0.67
DMI Retention Plan, 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme	95.49	15.00%	7.50%	-	62.21	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Employment Contract 2020	113.34	30.00%	6.14%	-	113.34	43.35
DMI Retention Bonus (NBFC Apr'20)	116.36	30.00%	6.14%	-	116.36	44.51
DMI Finance ESOP Plan 2020	116.36	30.00%	6.14%	-	116.36	44.51
DMI Variable2019-20	113.34	30.00%	6.14%	-	113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.34	43.49
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.00	43.30
Founder Circle Award 2020-21 (NBFC Apr'21)	113.00	30.00%	6.14%	-	113.34	43.49
Founder Circle Award 2020-21 (NBFC Jul'21)	112.86	30.00%	6.14%	-	112.86	43.17
DMI Employment Contract 2021-22 - I	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - II	209.00	30.00%	6.60%	-	209.00	81.89
DMI ESOP Plan, Management - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - IV	209.00	30.00%	6.60%	-	209.00	81.89
DMI Employment Contract 2021-22 - V	209.00	30.00%	6.60%	-	209.00	81.89

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

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

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

The employees' compensation expense for Stock options during the year ended 31 March 2022 amounts to Rs. 72.86 millions (previous year Rs. 75.78 millions).

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

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

(a) List of related parties

Holding company
DMI Limited

Subsidiaries
DMI Management Services Private Limited
DMI Capital Private Limited
Appnit Technologies Private Limited (w.e.f. 20 Jan 2022)

Associate
DMI Alternatives Private Limited

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

Key managerial personnel (KMP)

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

Relatives of KMP
Mrs. Mallika Singh
Ms. Promita Chatterjee

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

Entity with Significant Influence
Ganesha Fixed Income Limited

(b) Significant transactions with related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
DMI Housing Finance Private Limited	Cost share recovery	59.70	70.18
	Share based payment	0.70	2.16
	Interest on loan	-	20.78
	Repayment of loan	-	700.00
	Reimbursement of expense paid by related party on behalf of entity	3.67	-
DMI Management services Private Limited	Cost share recovery	0.06	0.06
DMI Capital Private Limited	Cost share recovery	0.60	0.60
DMI Alternative Investment Fund	Repayment of loan	-	800.00
	Interest expenses	-	23.75
DMI Alternatives Private Limited	Cost share recovery	60.70	33.46
	Share based payment	0.13	0.74
	Reimbursement of expense incurred on behalf of related party	5.49	-
Ganesha Fixed Income Limited	Interest expenses	11.39	11.36

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

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

(c) Outstanding balances with related parties:

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

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

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

(d) Disclosure pursuant to Schedule V of Clause A (2) of Regulation 53(f) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015:
There is no loan or advance given by the Company to either holding company or subsidiary companies.

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41 (a) Impact of COVID 19 pandemic

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

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

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

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

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

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

43 Capital

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

(i) Capital management:

Objective

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

Planning

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

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

(ii) Regulatory capital

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

Refer note 54(iv) for basis of calculation of CRAR

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

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

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

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

a. Contingent liabilities

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

Notes :

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

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

b. Commitments

Commitments for acquisition of property, plant and equipment (net of advances)	18.25	-

c. Others

In case of un-disbursed loan facility, the Company has sole and absolute discretion to allow or reject any further drawdown request. Hence, undrawn capital commitment for the Company are amounting to Nil.
The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.
The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

45 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
April 1, 2020	**22,797.57**	**2,824.83**	**266.45**	**25,888.85**
Cash flows:				
- Repayment	(4,750.00)	(2,355.33)	(55.18)	(7,160.51)
- Proceeds	500.00	700.00	-	1,200.00
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	4.12	11.69	-	15.81
- Others	-	-	31.02	31.02
March 31, 2021	**18,551.69**	**1,181.19**	**242.29**	**19,975.17**
Cash flows:				
- Repayment	-	(1,077.84)	(57.10)	(1,134.94)
- Proceeds	-	8,850.00	-	8,850.00
Non-cash				-
- Deferment / amortisation of upfront fees and other charges	0.58	12.18	-	12.76
- Additions during the year	-	-	75.08	75.08
- Others	-	-	16.09	16.09
March 31, 2022	**18,552.27**	**8,965.53**	**276.36**	**27,794.16**

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DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. in millions, unless otherwise stated)

46 **Leases**

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

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

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

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

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	242.29	266.45
Additions made during the year	75.08	-
Interest accretion for the year	16.09	31.02
Payments made during the year	(57.10)	(55.18)
Balance at the end of the year	276.36	242.29

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

The following are the amounts recognized in profit and loss :

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

The Company's total cash outflows for leases was Rs 57.10 Millions during the year (previous year Rs 48.70 Millions)

Maturity Analysis of Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Upto 1 month	2.65	3.15
Over 1month to 2 month	2.83	3.24
Over 2 months to 3 months	3.82	3.36
Over 3 months to 6 months	11.66	10.24
Over 6 months to 1 year	24.02	19.35
Over 1year to 3 years	80.24	85.36
Over 3 years and upto 5 years	72.20	54.52
Over 5 years	78.94	63.07
Total	**276.36**	**242.29**

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

47 Tax expenses

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

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	645.05	344.13
Deferred tax credit	(441.32)	(255.19)
Income tax expense reported in the statement of profit or loss	**203.73**	**88.94**

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

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	781.53	312.02
Income-tax rate	25.168%	25.168%
Expected tax expense	**196.70**	**78.53**
Expenditure disallowed	494.08	465.26
Income not subject to tax	-	0.17
Deductions	(487.62)	(458.23)
Short term capital gain	-	-
Tax for earlier years	0.57	3.21
Tax expense	**203.73**	**88.94**

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Notes to the standalone financial statements for the year ended March 31, 2022

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

48 Maturity analysis of assets and liabilities:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	6,533.27	-	**6,533.27**	2,476.26	-	**2,476.26**
Bank balance other than cash and cash equivalents	294.45	-	**294.45**	267.21	-	**267.21**
Trade receivables	57.07	-	**57.07**	54.64	-	**54.64**
Loans	30,117.80	16,683.35	**46,801.15**	17,461.83	13,635.90	31,097.73
Investments	6,960.75	3,728.11	**10,688.86**	15,516.25	2,972.27	18,488.52
Other financial assets	1,582.52	25.56	**1,608.08**	2,015.59	20.26	2,035.85
Non- financial assets						
Current tax assets (net)	284.71	-	**284.71**	214.39	-	**214.39**
Deferred tax assets (net)	-	803.53	**803.53**	-	573.29	**573.29**
Property, plant and equipment	-	104.18	**104.18**	-	116.15	**116.15**
Right to use assets	50.30	184.65	**234.95**	46.26	164.45	**210.71**
Intangible assets	-	31.41	**31.41**	-	22.80	**22.80**
Capital work in progress	-	23.27	**23.27**			
Other non- financial assets	103.56	-	**103.56**	94.66	-	**94.66**
Assets held for sale	143.88	-	**143.88**	189.85	-	**189.85**
	46,128.31	21,584.06	67,712.37	38,336.94	17,505.12	55,842.06
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
A) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	94.79	-	**94.79**	110.75	-	**110.75**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	659.67	-	**659.67**	411.61	-	**411.61**
B) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	379.87	-	**379.87**	228.80	-	**228.80**
Debt securities	3,200.00	15,352.27	**18,552.27**	-	18,551.69	**18,551.69**
Borrowings (other than debt securities)	3,397.96	5,567.57	**8,965.53**	560.89	620.30	**1,181.19**
Liabilities against leased assets	44.99	231.37	**276.36**	39.33	202.96	**242.29**
Other financial liabilities	162.87	-	**162.87**	157.10	-	**157.10**
Non financial liabilities						
Provisions	1.82	75.43	**77.25**	1.13	55.60	**56.73**
Other non-financial liabilities	62.89	-	**62.89**	48.00	-	**48.00**
Equity						
Equity share capital	-	6,567.00	**6,567.00**	-	6,436.58	**6,436.58**
Other equity	-	31,913.87	**31,913.87**	-	28,417.32	**28,417.32**
	8,004.86	59,707.51	67,712.37	1,557.61	54,284.45	55,842.06

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

49 Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

(Amount in Rs. Crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,199.44	333.32	4,866.12	20.80	312.52
	Stage 2	112.44	25.40	87.04	0.45	24.95
Subtotal		**5,311.89**	**358.72**	**4,953.16**	**21.25**	**337.47**
Non-Performing Assets (NPA)						
Substandard	Stage 3	7.31	7.31	-	0.73	6.58
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	56.62	48.28	8.34	16.99	31.30
More than 3 years	Stage 3	55.70	47.44	8.25	27.85	19.59
Subtotal for doubtful		**112.32**	**95.73**	**16.59**	**44.83**	**50.89**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**119.63**	**103.04**	**16.59**	**45.57**	**57.47**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**5,199.44**	**333.32**	**4,866.12**	**20.80**	**312.52**
	Stage 2	**112.44**	**25.40**	**87.04**	**0.45**	**24.95**
	Stage 3	**119.63**	**103.04**	**16.59**	**45.57**	**57.47**
	Total	**5,431.51**	**461.76**	**4,969.75**	**66.81**	**394.94**

50 Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020

(a) SMA/overdue categories, where the moratorium/deferment was extended until Previous year

(Amount in Rs. Crores)

Particulars	As at March 31, 2021
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular	166.24
Respective amount where asset classification benefit is extended	-
Provisions made in terms of paragraph 5 of the circular (as per Para 4, applicable to entities covered under Ind AS) (as of 31 March 2021)	51.03
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-
Residual provisions as of 31 March 2021/ 31 March 2020 in terms of paragraph 6 of the Circular	51.03

(b) Asset classification benefit extension

Asset classification benefit has not been given to any account as at 31 March 2022 and 31 March 2021.

51 Segment information

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

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

52 Risk management

Introduction and risk profile

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

Risk management structure and policies

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

(A) Liquidity risk

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

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

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

March 31, 2022	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	5,533.27	1,000.00	-	-	-	-	-	-	6,533.27
Bank balance other than Cash and cash equivalents	-	-	23.00	266.20	5.25	-	-	-	294.45
Trade receivables	57.07	-	-	-	-	-	-	-	57.07
Loans	6,740.85	4,372.93	4,640.01	9,885.18	10,992.12	19,405.33	3,795.16	1,119.45	60,951.03
Investments	6,054.84	21.77	1,498.67	141.89	235.50	1,769.29	1,255.73	4,122.44	15,100.14
Other financial assets	1,187.67	0.45	208.59	111.62	74.20	-	-	25.55	1,608.08
Financial liabilities									
Payables	474.14	229.76	20.45	33.06	306.55	70.37	-	-	1,134.33
Debt securities	-	282.12	143.34	390.82	3,832.44	16,445.46	-	-	21,094.18
Borrowings (other than debt securities)	188.82	138.73	489.51	972.76	1,897.40	4,958.11	1,194.70	-	9,840.03
Lease liabilities	4.96	5.11	6.08	18.24	36.29	117.96	95.76	90.34	374.74
Other financial liabilities	6.44	117.82	38.61	-	-	-	-	-	162.87

March 31, 2021	upto 1 month	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	2,476.26	-	-	-	-	-	-	-	2,476.26
Bank balance other than Cash and cash equivalents	-	-	-	261.91	5.30	-	-	-	267.21
Trade receivables	54.64	-	-	-	-	-	-	-	54.64
Loans	4,116.83	2,770.01	2,512.07	5,776.66	6,300.73	15,486.83	3,364.92	785.95	41,114.01
Investments	14,930.65	42.69	553.00	108.14	188.15	737.38	1,770.71	1,595.70	19,926.41
Other financial assets	245.73	-	127.15	1,542.70	100.00	1.35	3.92	15.00	2,035.85
Financial liabilities									-
Payables	176.32	130.02	216.02	-	188.50	9.29	31.01	-	751.16
Debt securities	-	282.12	65.28	389.97	781.18	21,171.39	-	-	22,689.93
Borrowings (other than debt securities)	29.06	26.91	150.18	154.56	281.90	555.47	131.25	-	1,329.33
Lease liabilities	5.17	5.23	5.32	15.97	30.04	117.97	72.63	71.44	323.77
Other financial liabilities	0.67	117.82	38.61	-	-	-	-	-	157.10

(B) Credit risk

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

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

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

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

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

Analysis of risk concentration

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

March 31, 2022	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	6,533.27	-	-	-	-	-	-	6,533.27
Bank balance other than Cash and cash equivalents	294.45	-	-	-	-	-	-	294.45
Loans - Corporate (contractual amount of loans)	-	-	11,197.09	-	1,665.93	613.91	-	13,476.94
Loans - Consumer loans (contractual amount of loans)	-	-	-	525.07	-	32,799.14	-	33,324.21
Trade receivables	-	-	-	-	-	57.07	-	57.07
Investments	6,969.56	-	721.35	-	2,969.06	-	19.55	10,679.52
Other financial assets	-	-	-	-	-	1,582.53	25.55	1,608.08
Total	**13,797.28**	-	**11,918.44**	**525.07**	**4,634.99**	**35,052.65**	**45.10**	**65,973.54**

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

March 31, 2021	Financial services	Government	Real estate	MSME	Services & manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	2,476.26	-	-	-	-	-	-	2,476.26
Bank balance other than Cash and cash equivalents	267.21	-	-	-	-	-	-	267.21
Loans - Corporate (contractual amount of loans)	-	-	9,006.40	-	2,538.08	703.54	-	12,248.02
Loans - Consumer loans (contractual amount of loans)	-	-	-	434.74	-	18,414.97	-	18,849.71
Receivables	-	-	-	-	-	54.64	-	54.64
Investments	15,835.60	-	1,032.21	-	1,600.48	-	20.23	18,488.52
Other financial assets	-	-	-	-	-	2,014.68	21.17	2,035.85
Total	**18,579.07**	-	**10,038.61**	**434.74**	**4,138.56**	**21,187.83**	**41.40**	**54,420.21**

(C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.
Financial institutions may be exposed to market risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore, market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.
The Company's exposure to market risk is primarily on account of interest rate risk and equity price risk.

Total market risk exposure

Particulars	As at March 31, 2022	As at March 31, 2021	Primary risk sensitivity
ASSETS			
Financial assets			
Investments (Other than credit substitutes)	9,997.08	17,011.82	Equity price
Credit substitutes	2,204.96	2,071.82	Interest rate
LIABILITIES			
Financial liabilities			
Debt securities	18,552.27	18,551.69	Interest rate
Borrowings (other than debt securities)	8,965.53	1,423.48	Interest rate

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

Due to the very nature of financing, the Company is exposed to moderate to higher interest rate risk. This risk has a major impact on the balance sheet as well as the income statement of the Company. Interest rate risk arises due to:
i) Changes in regulatory or market conditions affecting the interest rates
ii) Short term volatility
iii) Prepayment risk translating into a reinvestment risk
iv) Real interest rate risk.

Interest rate risk exposure

	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowings	8,965.53	1,181.19
Fixed Rate Borrowings	18,552.27	18,551.69

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

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

(ii) Equity price risk
Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's FVOCI equities at 31 March 2022 would have increased equity by Rs. 268.56 millions (Previous year: Rs 181.56 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Company's FVTPL equities at 31 March 2022 would have increased profits by Rs. 653.54 millions (Previous year: Rs. 1479.40 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

(iii) Foreign Currency risk exposure
The Company is not exposed to foreign currency risk exposure.

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53 Financial instruments

Valuation principles
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.
In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

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

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

	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual funds	5,709.86	-	-	5,709.86	14,574.77	-	-	**14,574.77**
Equity shares - Mcnally Bharat Engineering Company Limited	-	-	-	-	25.12	-	-	**25.12**
Security receipts of Alchemist XV Trust	-	-	194.11	194.11	-	-	194.11	**194.11**
Compulsorily convertible debentures of Azad Engineering Private Limited	-	-	631.43	631.43	-	-	-	-
Optionally convertible debentures of Azad Engineering Private Limited	-	-	434.44	434.44	-	-	-	-
Compulsorily convertible preference shares in DMI Capital Private Limited	-	-	363.84	363.84	-	-	312.78	**312.78**
Total financial investment measured at FVTPL	5,709.86	-	1,623.82	7,333.68	14,599.89	-	506.89	15,106.78
Financial investments measured at FVOCI								
Credit Substitutes	-	-	514.24	**514.24**	-	-	497.68	**497.68**
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	1,148.13	**1,148.13**	-	-	826.47	**826.47**
Loans	-	-			-	-	-	-
Non-convertible debentures - unquoted	-	-	367.90	**367.90**	-	-	142.83	**142.83**
Units of DMI AIF Special Opportunities Scheme	-	-	10.10	**10.10**	-	-	11.01	**11.01**
Equity Instruments								
DMI Consumer Credit Private Limited	-	-	3.37	**3.37**	-	-	3.27	**3.27**
Alchemist Asset Reconstruction Company Limited	-	-	215.76	**215.76**	-	-	226.20	**226.20**
Flash Electronics Private Limited	-	-	793.97	**793.97**	-	-	304.40	**304.40**
Total financial investments measured at FVOCI	-	-	3,053.47	3,053.47	-	-	2,011.86	2,011.86
Total financial assets measured at fair value	**5,709.86**	-	**4,677.29**	**10,387.15**	**14,599.89**	-	**2,518.75**	**17,118.64**

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Notes to the standalone financial statements for the year ended March 31, 2022
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Valuation techniques

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

The equity instruments are traded on public stock exchanges with readily available active prices on a regular basis and are classified as level 1. Units held in mutual funds are valued at NAV of respective investment and are classified as Level 1.

Equity instruments measured at FVOCI

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

Debt Securities and loans at FVOCI

A. Fair Value is calculated by discounting future cashflows.
B. The discounting spread is calculated as summation of yields of G-Sec for similar tenure, sector specific spread, liquidity spread and spread based on score from internal risk rating model.
C. The risk rating model incorporates both quantitative and qualitative information on the borrower. Some of the factors that risk model considers are –

Area delivered in past across segments
Financial strength (of the entity and group)
Debt track record (debt repaid in past, current & past delinquency)
Stages of various projects of developer
Asset cover (Cashflow and Security)

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

Movements in Level 3 financial instruments measured at fair value

	Equity Shares	Units of DMI AIF Special Opportunities Scheme	Security receipts of Alchemist XV Trust	Credit Substitutes*	NCD Unquoted*	Compulsorily Convertible Debentures*	Optionally Convertible Debentures*	Compulsorily convertible preference shares - DMI Capital Private Limited	Total
At April 1, 2020	**479.36**	**10.80**	**194.11**	**419.58**	**120.76**	**773.17**	-	**303.30**	**2,301.08**
Purchase	-	-	-	46.45	21.82	-	-	-	68.27
Change in classification	-	-	-	-	-	-	-	-	-
Sales / settlements	-	-	-	(42.98)	(18.10)	2.57	-	-	(58.51)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	0.21	-	74.63	18.35	101.23	-	9.48	203.90
Gains / loss for the period recognized in the other comprehensive income	54.51	-	-	-	-	(50.50)	-	-	4.01
At March 31, 2021	**533.87**	**11.01**	**194.11**	**497.68**	**142.83**	**826.47**	-	**312.78**	**2,518.75**
Purchase	-	-	-	100.00	230.60	180.00	420.00	-	930.60
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	-	-	103.41	48.72	-	152.13
Sales / settlements	-	(1.07)	-	(83.44)	(5.52)	(107.65)	(34.28)	-	(231.96)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	-	0.17	-	-	-	441.32	-	51.06	492.55
Gains / loss for the period recognized in the other comprehensive income	479.23	-	-	-	-	336.01	-	-	815.24
At March 31, 2022	**1,013.10**	**10.10**	**194.11**	**514.24**	**367.91**	**1,779.56**	**434.44**	**363.84**	**4,677.30**

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

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

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

March 31, 2022	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	363.84	Net Worth of Investee Company	Instrument price
Equity shares in DMI Consumer Credit Private Limited	3.37	Net Worth of Investee Company	Instrument price
Compulsorily convertible debentures of Azad Engineering Private Limited	631.43	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Alchemist Asset Reconstruction Company Limited	215.76	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	514.24	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	793.97	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	1,148.13	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	367.90	Discounted Projected Cash Flows	Discount margin / spread
Total	4,038.64		

March 31, 2021	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Compulsorily convertible preference shares in DMI Capital Private Limited	312.78	Net Worth of Investee Company	Instrument price
Equity shares in DMI Consumer Credit Private Limited	3.27	Net Worth of Investee Company	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	226.20	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	497.68	Discounted Projected Cash Flows	Discount margin / spread
Equity shares in Flash Electronics Private Limited	304.40	Discounted Projected Cash Flows	Instrument price
Compulsory convertible debentures	826.47	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	120.76	Discounted Projected Cash Flows	Discount margin / spread
Total	2,291.56		

Quantitative analysis of significant unobservable inputs

Instrument price

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

Discount margin/spreads

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

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

Sensitivity of fair value measurements to changes in unobservable market data

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

Particulars	March 31, 2022 Favourable changes	March 31, 2022 Unfavourable changes	March 31, 2021 Favourable changes	March 31, 2021 Unfavourable changes
Instruments measured through FVTPL				
Compulsorily convertible preference shares in DMI Capital Private Limited	36.38	(36.38)	31.28	(31.28)
Compulsorily convertible debentures of Azad Engineering Private Limited	63.14	(63.14)	-	-
Total (A)	**99.52**	**(99.52)**	**31.28**	**(31.28)**
Instruments measured through FVTOCI				
Equity shares in DMI Consumer Credit Private Limited	0.34	(0.34)	0.33	(0.33)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.58	(21.58)	22.62	(22.62)
Credit Substitutes	2.38	(2.38)	7.17	(7.17)
Non-convertible debentures - unquoted	36.79	(36.79)	14.28	(14.28)
Equity shares in Flash Electronics Private Limited	79.40	(79.40)	30.44	(30.44)
Compulsory convertible debentures	114.81	(114.81)	82.65	(82.65)
Total (B)	**255.30**	**(255.30)**	**157.50**	**(157.50)**
Total (A+B)	**354.82**	**(354.82)**	**188.78**	**(188.78)**

The above analysis has been made without considering the impact of tax.

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

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

The carrying value of the financial instruments is near to the fair value, accordingly, the same has been considered for the disclosure above.

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

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

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

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

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54 Disclosures in accordance with RBI circular no. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and subsequent circular no. DNBR (PD) CC.No. 029/ 03.10.001/ 2014-15 dated April 10, 2015 and amendments thereof

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;
The Company is a private limited company registered with Reserve Bank of India as a Non- banking finance company vide certificate of registration no. **14.03176 dated January 5, 2009**

ii) Ratings assigned by credit rating agencies and migration of ratings during the year;
During the year the following ratings have been assigned to the Company

(Amount in Rs. crores)

Name of the rating agency	Amount	Rating	Type of facility	At the beginning of year	Change during Year	Remarks
Brickwork Ratings	86.29	BWR AA-(Stable)	Bank loans	BWR AA-(Stable)	No Change	Reaffirmed on June 25, 2021. During the year Rating amount decreased from INR 900 Crores to INR 86.29 Crores
Brickwork Ratings	50	BWR AA-(Stable)	Non-convertible debentures	BWR AA-(Stable)	No Change	Reaffirmed on June 25, 2021. During the year, Rated amount decreased from Rs 180 Crores to Rs. 50 Crores
CARE Ratings	285	CARE AA-; Stable	Long-term bank facilities	CARE AA-; Negative	During the year Rating was Reaffirmed and Outlook revised to Stable	1) Reaffirmed and Outlook revised to Stable on April 5th 2021. Rating Amount was 900 INR Crores 2) Rating Reaffirmed on June 25th 2021, Rating amount Reduced from 900 Crores to 285 Crores 3) Rating Reaffirmed on March 29th 2022, Rating amount is 285 Crores
CARE Ratings	Nil	CARE AA-; Stable	Non-convertible debentures	CARE AA-; Negative	During the year Rating was Reaffirmed and Outlook revised to Stable, NCD Ratings was withdrawn on April 05, 2021	NCD Ratings was withdrawn on April 05, 2021
ICRA Ratings	300	[ICRA]A1+ (Stable)	Commercial paper	[ICRA]A1+ Stable	No Change	Rating Reaffirmed on April 20, 2021
ICRA Ratings	100	[ICRA]AA- (Stable)	Non-convertible debentures	[ICRA]AA- (Stable)	New Rating of [ICRA]AA- (Stable); Assigned on April 20, 2021	New Rating of [ICRA]AA- (Stable); Assigned on April 20, 2021
ICRA Ratings	750	[ICRA]AA- (Stable)	Fund based bank facilities	[ICRA]AA- (Stable)	New Rating of [ICRA]AA- (Stable); Assigned on April 20, 2021	New Rating of [ICRA]AA- (Stable); Assigned on April 20, 2021

iii) Penalties, if any, levied by any regulator;
No penalties have been levied by any of the regulators of the Company.

iv) Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries
The Company has its main operations in India situated in Delhi/NCR and also has offices situated in Mumbai, Hyderabad, Bengaluru and Kolkata. The Company has not entered into any joint ventures and does not have any overseas subsidiaries.

I) Capital to risk assets ratio (CRAR)

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

(Amount in Rs. crores)

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

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II) Investments

(Amount In Rs. crores)

Particulars	March 31, 2022	March 31, 2021
1) Value of Investments		
i) Gross Value of Investments (at cost)*		
a) In India	1,220.20	1,908.36
b) Outside India	-	-
ii) Provisions for Depreciation**		
a) In India	151.32	59.51
b) Outside India	-	-
ii) Net Value of Investments		
a) In India	1,068.89	1,848.85
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening Balance	59.51	20.10
ii) Add: Provisions made during the year	91.81	39.42
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	151.32	59.51

*The Company has investment in FVOCI and FVTPL category, the fair valuation of which is included in the gross value of investment.
**Provision of depreciation comprises of impairment loss allowance on the investments

III) Derivatives

a. The Company does not deal in derivatives during the FY 2021-22 and FY 2020-21, therefore no details are to be disclosed
b. The derivatives do not include embedded derviatives as per IND AS 109.

c. **Exchange Traded Interest Rate (IR) Derivatives**
The Company have no dealings in exchange traded interest rate derivatives during the FY 2021-22 and FY 2020-21, therefore no details are to be disclosed.

d. **Disclosures on Risk Exposure in Derivatives**
The Company does not deal in derivatives therefore no details are to be disclosed.

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IV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Maturity Pattern of Assets and Liabilities as on March 31, 2022

(Amount in Rs. crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 days	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments*	-	-	570.99	-	-	-	-	125.55	18.67	284.50	**999.71**
Borrowings	-	-	11.67	20.23	52.26	107.20	484.71	1,988.52	108.17	-	**2,772.76**
Advances*	197.99	98.99	356.25	383.89	550.49	857.74	885.49	1,586.81	412.39	101.47	**5,431.51**
Corporate	-	-	257.26	11.87	224.11	59.45	175.82	837.76	378.11	101.46	**2,045.84**
Consumer	197.99	98.99	98.99	372.02	326.38	798.29	709.67	749.05	34.28	0.01	**3,385.67**
Other financial assets			118.77	0.04	20.86	11.16	7.42	-	-	2.56	**160.81**

Maturity Pattern of Assets and Liabilities as on March 31, 2021

(Amount in Rs. crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 30 days	Over 1month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1year to 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Investments*	-	-	1,457.48	-	52.68		-	-	-	108.38	**1,618.54**
Borrowings	-	-	2.16	13.75	18.01	13.39	24.92	1,905.30	12.49	-	**1,990.02**
Advances*	130.49	65.25	205.68	239.14	208.47	614.14	462.73	1,204.79	397.07	105.67	**3,633.43**
Corporate	-	-	140.44	8.34	12.68	211.34	118.90	717.31	365.92	105.67	**1,680.60**
Consumer	130.49	65.25	65.25	230.79	195.79	402.80	343.83	487.48	31.16	0.01	**1,952.84**
Other financial assets			245.73	-	127.15	1,542.70	100.00	1.35	3.92	15.00	**2,035.85**

* Investments do not include Credit Substitutes, same have been considered as Advances

V) Instances of fraud for the Year ended March 31, 2022

(Amount in Rs. crores)

Nature of fraud	March 31, 2022				March 31, 2021			
	No. of cases	Amt. of fraud	Recovery	Amt. written off	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-	-	-	-	-
Loan given against fictitious documents	112.00	3.12	2.00	3.12	1.00	1.12	-	1.12
Fraud by external party	-	-	-	-	-	-	-	-
Fraud Committed by Customer	1.00	86.38	12.77	-	-	-	-	-

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VI) Exposures

A Exposure to Real Estate Sector

(Amount in Rs. crores)

Category	March 31, 2022	March 31, 2021
a) Direct Exposure (includes loans and credit substitutes)		
i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	49.74	68.15
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	1,389.09	1,134.96
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
Residential	-	-
Commercial Real Estate	-	-
Total Exposure to Real Estate Sector *	**1,438.83**	**1,203.12**

**Includes exposure to sub-standards assets as well*

B Exposure to Capital Market

Category	March 31, 2022	March 31, 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	428.72	191.03
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	573.66	406.48
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	1,002.38	597.51

C Details of financing of parent company products The Company has not financed any parent company product during the current year and previous year	-	-
D **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC** The Company has not exceeded any single or group borrower limits during the FY 2021-22 and FY 2020-21 as per prescribed RBI guidelines therefore no details are being provided	-	-

E Unsecured Advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Additional Disclosures

VII) Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement Profit and Loss

	March 31, 2022	March 31, 2021
Provisions for depreciation on Investment	91.81	39.41
Provision towards NPA	7.31	(20.47)
Provision made towards Income tax	64.51	34.41
Provision made towards deferred tax	(65.24)	(25.69)
Other provision and contingencies		
Provision for gratuity	0.98	0.57
Provision for compensated absences	1.07	1.31
Provision for Standard Assets	261.26	265.93

VIII) Draw Down from Reserves

The Company has not draw downed any amount from the Reserves during the current year and previous year

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		(Amount In Rs. crores)	
		March 31, 2022	**March 31, 2021**
IX)	**Concentration of Deposits, Advances, Exposures and NPAs**		
	Concentration of Deposits	-	-
	Concentration of Advances	-	-
	Total Advances to twenty largest borrowers	1,502.33	1,301.85
	Percentage of Advances to twenty largest borrowers to Total Advances	27.68%	35.83%
	Concentration of Exposures		
	Total Exposure to twenty largest borrowers / customers	1,502.33	1,332.29
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	27.68%	36.36%
	Concentration of NPAs**		
	Total Exposure to top four NPA accounts	106.51	119.84
	***Represent Stage III loans including interest*		
	Sector-wise NPAs**	**Percentage of NPAs to Total Advances in that sector**	
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	5.52%	8.47%
4	Services	-	-
5	Unsecured personal loans	0.20%	-
6	Auto loans	-	-
7	Other personal loans(Loan against Property)	-	-
	***Represent Stage III loans including interest*		
X)	**Movement of NPAs**	**(Amount In Rs. crores)**	
	Net NPAs to Net Advances (%)	0.31%	1.51%
	Movement of NPAs (Gross)		
	Opening balance	142.35	171.11
	Additions during the year	6.94	4.25
	Reductions during the year	29.67	33.01
	Closing balance	**119.62**	**142.35**
	Movement of Net NPAs		
	Opening balance	53.59	69.11
	Additions during the year	(151.20)	(32.34)
	Reductions during the year	(114.21)	(16.82)
	Closing balance	**16.60**	**53.59**
	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	88.76	102.00
	Provisions made during the year	158.15	36.59
	Write-off / write-back of excess provisions	143.88	49.83
	Closing balance	**103.02**	**88.76**
XI)	**Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**		
	The Company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported		
XII)	**Off- Balance sheet SPVs sponsored**		
	The Company does not have any Off- Balance sheet SPV, therefore no details to be reported		
XIII)	**Customer Complaints**		
	No. of complaints pending at the beginning of the year	37	509.00
	No. of complaints received during the year	9,778	1,991
	No. of complaints redressed during the year	9,812	2,463
	No. of complaints pending at the end of the year	3	37
XIV)	**Disclosure of Gold Loan Portfolio**		
	Total Gold Loan Portfolio	-	-
	Total Assets	-	-
	Gold loan portfolio as % of Total Assets	-	-
XV)	**Disclosure of Gold Auction**		
	Number of loan accounts	-	-
	Outstanding Amount	-	-
	Value fetched on auctions	-	-
XVI)	**Details of Off balance sheet exposure**		
	Refer note 44 for details of contingent liabilities and commitments		
XVII)	**Loan accounts past due 90 days and not treated as Impaired**		
	Number of loan accounts	-	-
	Loan outstanding	-	-
	Overdue Amount	-	-

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XXII) Schedule to the Balance Sheet

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Amount in Rs. crores)

S.No		Particulars Liabilities side	Amount Outstanding	Amount Overdue
1		**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
	a	Debentures : Secured	53.31	-
		Debentures : Unsecured	1,817.57	-
		(other than falling within the meaning of public deposits*)	-	-
	b	Deferred Credits	-	-
	c	Term Loans	872.35	-
	d	Inter corporate loans and borrowings	-	-
	e	Commercial Paper	-	-
	f	Public Deposit	-	-
	g	Other loans (lease liability)	27.64	-
2		**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)**		
	a	In the form of Unsecured debentures	-	-
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c	Other public deposits	-	-

		Assets side	Amount Outstanding
3		**Break-up of Loans and Advances including bills receivables ***	
	a	Secured	1,322.71
	b	Unsecured	3,357.41
4		**Break up of Leased Assets and stock on hire and other assets counting towards asset financing**	-
	1	Lease assets including lease rentals under sundry debtors	
	(a)	Financial lease	-
	(b)	Operating lease	-
	2	Stock on hire including hire charges under sundry debtors	
	(a)	Assets on hire	-
	(b)	Repossessed Assets	-
	3	Other loans counting towards asset financing activities	
	(a)	Loans where assets have been repossessed	-
	(b)	Loans other than (a) above	-
5		**Break up of investments**	
		Current Investments	
	1	**Quoted**	
	(i)	Shares	-
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others (Please specify)	-
	2	**Unquoted**	
	(i)	Shares	
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others	-

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Long Term Investments**		
1	**Quoted**	
(i)	Shares	
	(A) Equity	-
	(B) Preference	-
(ii)	Debentures and Bonds	290.58
(iii)	Units of Mutual Funds	570.99
(iv)	Government Securities	-
(v)	Others (Please specify)	-
2	**Unquoted**	
(i)	Shares	
	(A) Equity	148.32
	(B) Preference	38.58
(ii)	Debentures and Bonds	-
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others - Units of Alternative Investment Fund & Security Receipts in Asset Reconstruction	20.42

6 **Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category	**Amount net of provision**		
	Secured	**Unsecured**	**Total**
a Subsidiaries	-	-	-
b Companies in the same group	-	-	-
c other related parties	-	-	-
Other than related parties	1,322.71	3,357.41	4,680.11
Total			

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	**Market Value**	**Book value (net of provisions) #**
Related Party		
a Subsidiaries	85.04	85.08
b Companies in the same group	0.85	0.85
c other related parties	-	-
Other than related parties	1,134.31	982.99
Total	**1,220.20**	**1,068.92**

8 **Other information**

Particulars	**Amount**
Gross Non Performing Assets	
a. Related parties	-
b. Other than related parties	119.62
Net Non Performing Assets	
a. Related parties	-
b. Other than related parties	16.60

* Net of impairment loss allowance
** The Company has not disclosed the breakup of investment into long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.
# Book value is carrying value as per IND AS

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55 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

(i) Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time
The numerator of LCR is driven by the quantum and composition of High Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows.

(a) Composition of HQLA
HQLAs comprise of Cash and cash equivalents which include cash in hand and balances with scheduled commercial banks, including any fixed deposit with original maturity less than 3 months and liquid mutual funds.

(b) Unsecured and secured wholesale funding
Borrowing maturities falling due in the next 30 days form a major component of cash outflows. It includes all NCD, Term Loan & CC form of funding. Unsecured wholesale funding includes Unsecured NCDs.

(c) Outflows related to derivative exposures and other collateral requirements
During the reporting period, the Company did not have any derivative exposure.

(d) Other contractual funding obligations
Other contractual funding obligations are taken from other financial liabilities that includes, Trade Payable, Current tax liabilities, Other non-financial liabilities and other operating expenses that are not due shown in the Balance Sheet which are expected to be paid in the next 30 days.

(e) Other contingent funding obligations
Undrawn committed credit lines loans form a part of other contingent funding obligations.

(f) Secured lending
Secured Lending Inflows include the Principal inflows from the Wholesale Exposure of the Loan Book.

(g) Inflows from fully performing exposures
This head includes the Unsecured principal inflows from the Unsecured exposure of the loan book.

(h) Other inflows
For the LCR calculation, under other inflows, the major components are Interest Income, Penal Interest, Cash Income, PF Income, Trade receivables, balance with tax authorities which includes tax input credit and receivables from collection agencies and channel partners maturing in next 30 days.

(ii) Intra period changes and changes over time
The Company endeavors to maintain a healthy level of LCR at all points of time. The LCR table shows the movement of changes in each component over the reporting period. The average LCR moved from 14916% for the quarter ended June 30, 2021 to 6135% for the quarter ended March 31, 2022.

(iii) Concentration of funding sources
The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee of the Board (ALCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board. The Company maintains a robust funding profile, which is periodically monitored and reviewed by ALCO.

The Company has a diversified funding profile in the form of Bank term loans and Non-convertible debentures which are long-term in nature. Also, the Company has availed Working Capital Demand loan (WCDL) from various Banks. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of investors / bankers who have funded the Company through various funding instruments.

(iv) Derivative exposures and collateral calls
The Company did not indulge in derivative trading activities and hence was not exposed to derivative and collateral call risk during the reporting period.

(v) Currency mismatches
The Company was not exposed to any major currency risk during the reporting period.

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A. Liquidity coverage ratio

(Amount in Rs. crores)

	As at June 30, 2021		As at September 31, 2021		As at December 31, 2021		As at March 31, 2022	
	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount	Total un-weighted amount	Total weighted amount
High Quality Liquid Assets (HQLAs)	2,051.51	2,051.51	1971.10	1,971.10	1647.26	1,647.26	1,224.31	1,224.31
Total High Quality Liquid Assets (HQLA)	**2,051.51**	**2,051.51**	**1,971.10**	**1,971.10**	**1,647.26**	**1,647.26**	**1,224.31**	**1,224.31**
Cash Outflows								
Deposits (for deposit taking companies)								
Unsecured wholesale funding	8.26	8.26	8.35	8.35	8.35	8.35	7.72	7.72
Secured wholesale funding	1.02	1.02	3.57	3.57	7.86	7.86	15.46	15.46
Additional requirements, of which								
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	27.76	27.76	29.26	29.26	33.25	33.25	53.58	53.58
Other contingent funding obligations	-	-	-	-	-	-	-	-
TOTAL CASH OUTFLOWS	**37.04**	**37.04**	**41.17**	**41.17**	**49.47**	**49.47**	**76.76**	**76.76**
Cash Inflows								
Secured lending	27.20	27.20	34.20	34.20	34.20	34.20	257.26	257.26
Inflows from fully performing exposures	232.58	232.58	257.06	257.06	337.19	337.19	395.97	395.97
Other cash inflows	64.11	64.11	69.00	69.00	79.95	79.95	95.44	95.44
TOTAL CASH INFLOWS	**323.89**	**323.89**	**360.25**	**360.25**	**451.34**	**451.34**	**748.67**	**748.67**
Total HQLA	2,051.51	2,051.51	1,971.10	1,971.10	1,647.26	1,647.26	1,224.31	1,224.31
Total net cash outflows	10.65	10.65	11.84	11.84	14.22	14.22	22.07	22.07
Liquidity coverage ratio (%)	19264%	19264%	16653%	16653%	11583%	11583%	5548%	5548%
Average liquidity coverage ratio (%)	14916%	14916%	13914%	13914%	9434%	9434%	6135%	6135%

Notes:

1 The components of LCR is arrived at by taking a stock approach whereby from the month end outstanding of each component (as financial records), the portion expected to be paid in the next 30 days is considered.

2 Interest accrued but not due to be paid for the subsequent month is considered.

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
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Year ending March 31, 2021

S.No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

1) The outstanding amount and number of borrowers as at March 31, 2022 is after considering recoveries made during the year.
2) CDR restructuring segment is nil.
3) The above details have been provided for cases restructured other than restructuring under COVID resolution frameworks for the respective years.
Details related to restructuring under the COVID resolution frameworks have been provided in respective notes of both frameworks (refer note 56 (b) and 56 (c)).

DMI FINANCE PVT. LTD. NEW DELHI

S. N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

DMI Finance Private Limited
Notes to the standalone financial statements for the year ended March 31, 2022
(All Amount in Rs. In millions, unless otherwise stated)

Year ending March 31, 2021

S.No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

1) The outstanding amount and number of borrowers as at March 31, 2022 is after considering recoveries made during the year.
2) CDR restructuring segment is nil.
3) Restructure details related to COVID have been given in respective notes of both frameworks.

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

DMI Finance Private Limited
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B Liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 31, 2022 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

i) Funding concentration based on significant counterparty (refer note 1 below) (Amount in Rs. crores)

Number of significant counterparties	Number of counterparties	Amount*	% of Total deposits	% of Total liabilities
As at 31 March 2022	12	2,737.79	-	93.66%
As at 31 March 2021	3	1,959.33	-	93.35%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

There are no deposits accepted by the Company during the year as Company is non-deposit taking NBFC.

iii) Top 10 borrowings (Amount in Rs. crores)

	Number of parties	Total amount of top 10 borrowings *	Percentage of amount of top 10 borrowings to total borrowings
As at 31 March 2022	10	2,680.51	96.84%
As at 31 March 2021	8	1,989.00	100.00%

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

iv) Funding Concentration based on significant instrument/product (refer note 2 below) (Amount in Rs. crores)

Nature of significant instrument/product	As at March 31, 2022		As at March 31, 2021	
	Amount*	% of Total liabilities	Amount*	% of Total liabilities
Non-convertible debentures	1,870.87	64.00%	1,870.81	89.14%
Term loans	872.35	29.84%	118.19	5.63%
Total	**2,743.22**	**93.84%**	**1,989.00**	**94.77%**

*Accrued interest but not due and unamortised transaction costs are included in borrowings.

v) Stock ratios: (Amount in Rs. crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amount	% of Total public funds	% of Total liabilities	% of Total assets	Amount	% of Total public funds	% of Total liabilities	% of Total assets
Commercial papers	-	-	-	-	-	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-	-	-
Other short-term liabilities (refer note 20 and note 3 below)	248.43	8.30%	8.50%	3.67%	-	-	-	-

	As at March 31, 2022	As at March 31, 2021
Total public funds (refer note 4 below)	2,991.65	1,989.00
Total liabilities	2,923.15	2,098.82
Total assets	6,771.24	5,584.21

Note

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.

4) Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

vi) Institutional set-up for liquidity risk management

Refer note 52(A): Risk management structure and 52(B) Liquidity risk and funding management for institutional set-up for liquidity risk management.

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56 (a) Additional disclosures pursuant to para 25 of Master Direction-Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016:

Year ending March 31, 2022

S. No.	Type of Restructuring		Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-

DMI Finance Private Limited
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56 (b) The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.
During the previous year the Company has restructured loan assets in accordance with the RBI circular RBI/2021-22/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution framework - 1.0) as presented in below table:

(Amount in Rs. crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loan					
Of which, MSMEs	19	1.63	-	-	-
Others	68,798	162.49	-	-	11.11
Corporate persons*	-	-	-	-	-
Total	68,817	164.12	-	-	11.11

(Amount in Rs. crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A) 31/3/21	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the -year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this -year 31/3/22
Personal loans					
Of which MSMEs	1.79	-	0.02	0.84	0.92
Others	133.28	-	54.38	49.02	29.88
Corporate Persons*	-	-	-	-	-
Total	135.07	-	54.40	49.86	30.80

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

56 (c) During the year the Company has restructured loan assets in accordance with the RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution framework - 2.0) as presented in below table:

(Amount in Rs. crores)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process (Number)	1,789	-	27
(B)	Number of accounts where resolution plan has been implemented under this window (Number)	1,789	-	27
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	10.86	-	1.10
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	1.09	-	0.01

(Amount in Rs. crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30/09/21	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this -year 31/3/22
Personal loans					
Of which MSMEs	1.15	-	-	0.41	0.74
Others	10.55	0.16	0.57	3.15	6.83
Corporate Persons*	-	-	-	-	-
Total	11.70	0.16	0.57	3.56	7.57

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

(Amount in Rs. crores)

S. No.	Particulars	During the year ended March 31,2022
1	Details of loans not in default that are transferred or acquired	Nil
2	Details of stressed loans transferred or acquired	Nil

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

57 (a) Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.
57 (b) The standalone financial statements for the year ended March 31, 2021 were audited by previous statutory auditors Walker Chandiok and Co LLP.
57 (c) There are no event observed after the reported period which have an impact on the Company's operation.
57 (d) The financial statements were approved for issue by Board of Directors on May 20 , 2022.
57 (e) Disclosure on significant ratios:

Particulars	Description	As at March 31, 2022	As at March 31, 2021
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities)]/Total equity	0.72	0.57
Net profit margin	Net profit after tax / total revenue from operations	6.45%	2.96%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)]/Total assets	40.64%	35.34%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	2.18%	3.81%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III)	0.31%	1.51%
Asset cover ratio (number of times)	Amount of secured assets / Secured debt	1.79	1.45
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD)	86.13%	62.36%

58 Pursuant to RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15,2022 related to extension of Para 10 with respect to upgradation of account classified as NPA of Circular DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, the Company has opted for the deferment till September 30,2022 to put in place the necessary system to implement.

59 **Other Statutory Information**

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

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

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

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

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

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

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

9 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

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

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

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

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

S.N. DHAWAN & CO. LLP CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. NEW DELHI

DMI Finance Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2022
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60 Events occurring after reporting date

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

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

Vinesh Jain
Partner
Membership No 087701

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

Place
Date: 20 May 2022

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Place
Date: 20 May 2022

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

Place:
Date 20 May 2022

DMI FINANCE PVT. LTD. NEW DELHI

Krishan Gopal
(Chief Financial Officer)

Place
Date: 20 May 2022

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place
Date 20 May 2022