S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of DMI Finance Private Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of DMI Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 38 of the financial statement which describes the extent to which CoVID-19 Pandemic impact the Company's operations and financial results will depends on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (including provision for expected credit losses) *(as described in note 6 of the Ind AS financial statements)*	
The Company's impairment provision for financial assets (designated at amortized cost and fair value through other comprehensive income) is based on the expected credit loss approach laid down under 'Ind AS 109 Financial Instruments'. Ind AS 109 requires the Company to exercise significant judgement while applying principles and other requirements of the standard in addition to the identification and adequacy of provision for impairment of its financial instruments using the expected credit loss (ECL) approach, which involves an estimation of probability-weighted loss on the financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of its loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters: a. Defining thresholds for 'significant increase in credit risk' and 'default'. b. Grouping of loans under homogenous pools to determine probability of default on a collective basis and calculation of past default rates. c. Determining effect of less frequent past events on future probability of default. d. Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans. **Additional considerations on account of CoVID-19** Pursuant to the Reserve Bank of India circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer a moratorium to customers on payment of instalments falling due between March 1, 2020 and May 31, 2020, the Company has extended a moratorium to its borrower in accordance with its Board approved policy as described in Note 6.2. In accordance with the guidance from Institute of Chartered Accountants of India (ICAI), extension of the moratorium	• Performed inquiries with the Company's management and its risk management function to assess the impact of lock-down on the business activities of the Company. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • 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 stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.

Key audit matters	How our audit addressed the key audit matter
to borrowers by itself is not considered to result in a SICR for a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular once the moratorium period gets over. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (CoVID-19) pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.	
IT systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors: • Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

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

i. The Company does not have any pending litigations which would impact its financial position;

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.

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

per Chirag Jain
Partner
Membership Number: 115385

UDIN: 20115385AAAABP2581
Mumbai
July 3, 2020

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS *

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

Re: DMI Finance Private Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is regular programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the order are not applicable to the company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to duty of excise and sales-tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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(xi) According to the information and explanations given by the management, the provision of section, read with Schedule V to the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

per Chirag Jain
Partner
Membership Number: 115385

UDIN: 20115385AAAABP2581
Mumbai
July 3, 2020

S. R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS *

Annexure 2 referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of DMI Finance Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Chirag Jain
Partner
Membership Number: 115385

UDIN : 20115385AAAABP2581
Mumbai
July 3, 2020

DMI Finance Private Limited
Standalone Balance Sheet As at March 31, 2020
(All Amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,190.89	429.58
Bank balance other than Cash and cash equivalents	4	15.20	14.70
Receivables			
(I) Trade Receivables	5	35.40	8.21
(II) Other Receivables			
Loans	6	33,353.51	21,201.48
Investments	7	15,294.08	9,641.46
Other financial assets	8	519.67	671.13
Non- financal assets			
Current tax assets		154.51	109.81
Deferred tax assets (net)	16	319.78	45.43
Property, plant and equipment	9(a)	387.53	70.14
Intangible assets	9(b)	7.55	5.96
Other non- financial assets	10	332.46	123.21
Assets held for sale	11	189.85	533.70
	TOTAL	51,800.43	32,854.81
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	12		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		195.24	94.73
Debt Securities	13	22,797.57	5,782.28
Borrowings (other than Debt Securities)	14	3,091.28	4,471.72
Other financial liabilities	15	333.11	251.41
Non financial liabilities			
Current tax liabilities		-	-
Other Non-financial liabilities	17	622.98	252.89
Equity			
Equity share capital	18	5,592.94	5,487.41
Other equity	19	19,167.31	16,514.37
	TOTAL	51,800.43	32,854.81
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Chirag Jain
Partner
Membership No. 115385

Place: MUMBAI
Date: 03/JULY/2020

S. R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
NEW YORK. USA

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

J.P.S. Bhasin
Jatinder Bhasin
(Chief Financial Officer)

Sahil Pahwa
(Company Secretary)
M. No. A24789

Place:
Date:

DMI Finance Private Limited

Standalone Statement of profit and loss for the year ended March 31, 2020

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

Particulars	Notes	For the year March 31, 2020	For the year March 31, 2019
Revenue from operations			
Interest income	20	6,078.05	3,580.00
Fees and commission income	21	52.03	7.10
Net gain on fair value changes	22	225.77	248 38
Total revenue from operations		6,355.85	3,835.48
Other Income	23	0.02	4.98
Total Income		6,355.87	3,840.46
Expenses			
Finance Costs	24	1,468.89	1,155.51
Fees and commission expense	25	843.03	215.09
Impairment on financial instruments	26	1,533 15	533.00
Employee Benefits Expense	27	493 21	562.24
Depreciation, amortization and impairment	9(a) & 9(b)	76 40	19 77
Other expenses	28	597 50	285 98
Total Expenses		5,012.18	2,771.59
Profit/(loss) before tax		1,343.69	1,068.87
Tax Expense:			
(1) Current Tax	16	548.07	315 27
(2) Deferred Tax	16	(195.27)	0.74
Profit/(loss) for the year		990.89	752.86
Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(losses) on gratuity		(2.00)	0.39
Income tax effect		0 50	(0.11)
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value Changes		(95.37)	(23 56)
Income tax effect		24.00	7.00
Other Comprehensive Income, net of Income tax		(72.87)	(16.28)
Total Comprehensive Income for the period		918.02	736.58
Earnings per equity share*	29		
Basic (Rs.)		1.78	1.60
Diluted (Rs.)		1.77	1.59
Nominal value per share (Rs.)		10	10
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Chirag Jain
Partner
Membership No. 115385

Place: MUMBAI
Date: 03/JULY/2020

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
NEW YORK, USA

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

Jatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place:
Date:

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★

DMI Finance Private Limited

Standalone Cash flow statement for the Year ended March 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		**1,343.69**	**1,069.36**
Adjustments for			
Depreciation and amortisation		76.40	19.77
Interest Expense		1,468.89	1,155.51
Interest Income		(6,078.05)	(3,580.00)
Net gain on fair value changes		(225.77)	(248.87)
Profit on sale of investment in equity shares		-	(4.98)
Employee stock option expense		-	28.78
Operating profit before working capital changes		**(3,414.84)**	**(1,560.43)**
Changes in working capital			
Increase/ (decrease) in financial and other assets		(6,139.69)	(6,424.63)
Increase/ (decrease) in financial and other liabilities		189.93	(534.82)
Increase/ (decrease) in non financial assets		134.61	888.45
Increase(decrease) in non financial liabilities		370.10	0.04
Total of changes in working capital		(5,445.05)	**(6,070.96)**
Direct taxes paid		(592.78)	(425.25)
Net cash flow from / (used in) operating activities (A)		(9,452.67)	**(8,056.64)**
B Cash flow from investing activities:			
Inflow (outflow) on account of :			
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets		(396.44)	(32.41)
Sale of Property, plant and equipment (including capital work-in-progress)		1.06	-
Purchase of Mutual Fund Investments		(31,661.62)	(14,850.00)
Purchase of Investments		(861.82)	(2,073.00)
Sale of Mutual Fund Investments		24,719.11	10,123.01
Sale of Investments		2,469.87	2,467.84
Net cash flow from / (used in) investing activities (B)		**(5,729.84)**	**(4,364.56)**
C Cash flow from financing activities:			
Issue of equity shares (including share premium)		1,786.08	9,190.81
Proceeds from Non Convertible Debentures		21,303.00	6,050.00
Proceeds from Bank Borrowings		980.00	1,900.00
Repayment of Cash Credit		(332.86)	(42.83)
Repayment of Debt Securities		(4,300.00)	(2,230.00)
Repayment of Bank Borrowings		(2,314.54)	(1,437.53)
Interest paid		(1,177.86)	(1,020.63)
Net Cash flow from / (used in) financing activities (C)		**15,943.82**	**12,409.82**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**761.31**	**(11.38)**
Cash and cash equivalents as at the beginning of the year		429.58	440.96
Cash and cash equivalents at the end of the year	4	**1,190.89**	**429.58**
Components of cash and cash equivalents			
Cash on hand		0.12	0.07
Balance with banks			
In current accounts		1,190.77	429.51
Total cash and cash equivalents	4	1,190.89	429.58
Summary of significant accounting policies	3		

Notes:-

Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
Previous year figures have been regrouped/ reclassified wherever applicable.
For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 35.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Chirag Jain
Partner
Membership No. 115385

Place: MUMBAI
Date: 03/JULY/2020

S. R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
NEW YORK, USA

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

Jatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place
Date:

DMI Finance Private Limited
Statement of Changes in Equity for the Year ended March 31, 2020
(All Amount in Rs. In millions, except for share data unless stated otherwise)

a. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as on April 1 2019	52,09,57,897	5,209.58
Additions:		
Equity Share Capital issued during the year	7,52,79,865	182.79
Shares issued persuant to conversion of compulsorily convertible preference shares(CCPSs)	2,00,56,804	200.57
Balance as on March 31 2020	61,62,94,566	5,592.94

b. Other Equity

Particulars	Equity Component of CCD	Equity Component of CCPS	Reserves and surplus					Total
			Regulatory Reserve u/s 45-IC of RBI Act	Share Based Payments Reserves	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as on March 31 2019	-	-	731.31	28.04	12,905.76	81.21	2,768.05	16,514.37
Profit for the year (A)	-	-	-	-	-	-	990.89	990.89
Other Comprehensive Income for the year (B)	-	-	-	-	-	-	(72.87)	(72.87)
Total Comprehensive Income for the year (A+B)	-	-	-	-	-	-	918.02	918.02
Transfer to special reserve	-	-	201.53	-	-	-	(201.53)	-
Share Based Payments	-	-	-	38.54	-	-	-	38.54
Premium on conversion of CCPSs	-	-	-	-	77.26	-	-	77.26
Premium on issue of equity shares	-	-	-	-	1,564.75	-	-	1,564.75
Deferred tax liability reversed on CCDs/CCPSs	-	-	-	-	-	-	54.37	54.37
Balance as on March 31 2020	-	-	932.84	66.58	14,547.77	81.21	3,538.91	19,167.31

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Chirag Jain
Partner
Membership No. 115385

Place: MUMBAI
Date: 03/JULY/2020

S. R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS *

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
NEW YORK, USA

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

Jatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place:
Date:

DMI Finance Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2020

1. **Corporate information**
DMI Finance Private Limited (the "Company") is a Company domiciled in India as a Private Limited Company. The Company is registered with the Reserve Bank of India ("RBI") as a non-deposit accepting non-banking financial company or NBFC-ND under the Reserve Bank of India Act, 1934.

The Company is engaged in the business of providing loans to corporate and unsecured personal loans.

2. **Basis of preparation**

(a) Statement of compliance in preparation of financial statements
The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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

(b) Presentation of financial statements
The 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 Ind AS specifically permits the same or it has an unconditionally legally enforceable rights to offset the recognized amounts without being contingent on future events. Similarly, the Company offsets the income and expenses and reports the same on a net basis when permitted by Ind AS specifically.

3. **Significant accounting policies**

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

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

i) Impairment loss on 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 6.1 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, 2020.

ii) Business Model Assumption
Classification and measurement of financial assets depends on the results of the SPPI and the business model tests. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the 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

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appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

iii) 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.

iv) 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.

v) Fair value measurement

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.

(b) Cash and cash equivalents

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

(c) Recognition of income and expense

i) Interest income

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the 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) Interest expense

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

iii) Other charges and other interest

Overdue charges including penal interest is recognized on realization basis.

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iv) 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) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

I) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section m (ii) Impairment of non-financial assets.

ii) Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short Term Lease

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as and when due.

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

PPE

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

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

Intangible fixed assets

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

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

(f) Depreciation and amortization

Depreciation

Depreciation on PPE is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives of the assets, prescribed under Schedule II to the Companies Act, 2013 which also represents the estimate of the useful life of the assets by the management.

PPE costing upto Rs.5,000 individually are fully depreciated in the year of purchase.

The company has used the following rates to provide depreciation on its fixed assets.

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

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

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

Amortization

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

(g) Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognised in the financial statements.

(h) Retirement and other employee benefits

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

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The Company operates following employee benefit plans:

i) Employee Provident Fund
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service.

ii) Gratuity
In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. 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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

iii) Leaves
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.

(i) Taxes

Tax expense comprises current and deferred tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

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

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

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

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

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

(j) Earning per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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

(k) Share based payments

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

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, 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.

(l) 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.

Financial Assets

Initial recognition and measurement

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

Classification and Subsequent measurement

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

- Debt instruments/Loan portfolio at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

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- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments/Loan portfolio at amortised costs

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

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

Business model: The business model reflects how the 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.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets (refer note 3 (m)).

Debt Instruments at FVOCI

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

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

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

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.

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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.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using effective interest method.

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 acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

De-recognition of financial asset and financial liability

Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset
  or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset
  or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the

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risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

Financial Liabilities
Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(m) Impairment of financial assets

i) Overview of principles for measuring expected credit loss ("ECL") on financial assets

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.

Methodology for calculating ECL
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.

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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.

Forward looking information

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

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.

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.

Write-offs

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

ii) Non-financial asset

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.

(n) Fair value measurement

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

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

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

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

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

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

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

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

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

(o) Dividend

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

(p) Foreign Currency Translation

Foreign currency transactions and balances

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

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

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

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4 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Cash on hand	0.12	0.07
Balance with Banks		
- Cash Credit	225.30	-
- In Current Accounts	965.47	429.51
	1,190.89	**429.58**
Bank balances other than above		
Deposit with original maturity of more than 12 months	-	-
Deposit with original maturity of more than 3 months but less than 12 months*	15.20	14.70
	15.20	**14.70**
Total	**1,206.09**	**444.28**

* Deposits being lien marked against corporate credit cards and bank guarantee.

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

Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Cash on hand	0.12	0.07
Balance with Banks		
- Cash Credit	225.30	-
- In Current Accounts	965.47	429.51
Total	**1,190.89**	**429.58**

5 Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good	35.40	8.21
Total	**35.40**	**8.21**

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6 Loans

Particulars	31-Mar-20				31-Mar-19			
	Amortised Cost	Through other comprehensive income	Subtotal	Total	Amortised Cost	Through other comprehensive income	Subtotal	Total
Term Loans								
Corporate Loans	12,461.25	120.76	12,582.01	**12,582.01**	10,730.02	917.41	11,647.43	**11,647.43**
Consumer Loans	22,141.27	-	22,141.27	**22,141.27**	10,142.46	-	10,142.46	**10,142.46**
Total (A) Gross	**34,602.52**	**120.76**	**34,723.28**	**34,723.28**	**20,872.48**	**917.41**	**21,789.89**	**21,789.89**
Less: Impairment loss allowance	1,365.92	3.85	1,369.77	1,369.77	586.20	2.21	588.41	588.41
Total (A) Net	**33,236.60**	**116.91**	**33,353.51**	**33,353.51**	**20,286.28**	**915.20**	**21,201.48**	**21,201.48**
Secured by tangible assets and intangible assets	12,461.25	120.76	12,582.01	12,582.01	10,730.02	917.41	11,647.43	11,647.43
Unsecured	22,141.27	-	22,141.27	22,141.27	10,142.46	-	10,142.46	10,142.46
Total (B) Gross	**34,602.52**	**120.76**	**34,723.28**	**34,723.28**	**20,872.48**	**917.41**	**21,789.89**	**21,789.89**
Less: Impairment loss allowance	1,365.92	3.85	1,369.77	1,369.77	586.20	2.21	588.41	588.41
Total (B) Net	**33,236.60**	**116.91**	**33,353.51**	**33,353.51**	**20,286.28**	**915.20**	**21,201.48**	**21,201.48**
Loans in India								
Public Sector	-	-	-	-	-	-	-	-
Others	34,602.52	120.76	34,723.28	34,723.28	20,872.48	917.41	21,789.89	21,789.89
Total (C) Gross	**34,602.52**	**120.76**	**34,723.28**	**34,723.28**	**20,872.48**	**917.41**	**21,789.89**	**21,789.89**
Less: Impairment loss allowance	1,365.92	3.85	1,369.77	1,369.77	586.20	2.21	588.41	588.41
Total (C) Net	**33,236.60**	**116.91**	**33,353.51**	**33,353.51**	**20,286.28**	**915.20**	**21,201.47**	**21,201.47**

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) Loans sanctioned but un-disbursed amount is Rs. NIL in FY 2019-20 (FY 2018-19 NIL)

(iv) The Company has granted certain loans to staff amounting to Rs. 18.81 millions in FY 2019-20 (FY 2018-19 Rs 8.45 millions)

(v) Corporate loan portfolio includes non-convertible debentures of Rs. 2426.45 millions in FY 2019-20 (FY 2018-2019 Rs. 2066.42 millions)

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6.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Particulars	March 31, 2020							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	20,656.64	1,193.86	290.77	**22,141.27**	10,282.55	1,218.12	1,081.34	**12,582.01**
Less: Impairment Loss Allowance	206.57	142.66	290.77	**640.00**	152.19	26.24	551.34	**729.77**
Net Carrying Amount	**20,450.07**	**1,051.20**	-	**21,501.27**	**10,130.36**	**1,191.88**	**530.00**	**11,852.24**

Particulars	March 31, 2019							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	9,533.88	447.22	161.36	10,142.46	10,269.10	813.96	564.37	11,647.43
Less: Impairment Loss Allowance	29.36	1.26	161.36	191.98	110.62	35.62	250.19	396.43
Net Carrying Amount	**9,504.52**	**445.96**	-	**9,950.48**	**10,158.48**	**778.34**	**314.18**	**11,251.00**

Summary of Credit Substitutes and Compulsory Convertible Debentures by stage distribution is as follows:

Particulars	March 31, 2020			
	Credit Substitutes and Compulsory Convertible Debentures			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	2,187.67	-	339.00	2,526.67
Less: Impairment Loss Allowance	23.00	-	177.95	200.95
Net Carrying Amount	**2,164.67**	-	**161.05**	**2,325.72**

Particulars	March 31, 2019			
	Credit Substitutes and Compulsory Convertible Debentures			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	3,025.46	352.13	-	3,377.59
Less: Impairment Loss Allowance	35.46	45.29	-	80.75
Net Carrying Amount	**2,990.00**	**306.84**	-	**3,296.84**

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

Particulars	March 31, 2020							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	9,533.88	447.22	161.36	10,142.46	10,269.10	813.96	564.37	11,647.43
New Assets originated, Netted off for repayments and loans derecognised during the year	11,074.28	896.40	28.13	11,998.81	1,077.50	51.11	(194.03)	934.58
Transfers from Stage 1	(452.70)	278.16	174.54	-	(1,273.04)	776.86	496.18	-
Transfers from Stage 2	378.32	(428.76)	50.44	-	-	(423.81)	423.81	-
Transfers from Stage 3	122.86	0.83	(123.69)	-	208.99	-	(208.99)	-
Gross carrying amount closing balance	20,656.64	1,193.86	290.77	22,141.27	10,282.55	1,218.12	1,081.34	12,582.01

Particulars	March 31, 2019							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,212.70	26.59	6.66	1,245.94	9,594.56	913.04	292.71	10,800.31
New Assets originated, Netted off for repayments and loans derecognised during the year	8,919.08	(17.12)	(5.44)	8,896.52	1,013.63	(169.08)	2.57	847.12
Transfers from Stage 1	(619.26)	463.25	156.01	-	(415.71)	340.10	75.61	-
Transfers from Stage 2	16.33	(25.50)	9.17	-	76.62	(270.10)	193.48	-
Transfers from Stage 3	5.03	-	(5.03)	-	-	-	-	-
Gross carrying amount closing balance	9,533.88	447.22	161.36	10,142.46	10,269.10	813.96	564.37	11,647.43

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

Particulars	March 31, 2020			
	Credit Substitutes and Compulsory Convertible Debentures			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,025.46	352.13	-	3,377.59
New Assets originated, Netted off for repayments and loans derecognised during the year	(498.79)	(352.13)	-	(850.92)
Transfers from Stage 1	(339.00)	-	339.00	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	2,187.67	-	339.00	2,526.67

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Particulars	March 31, 2019			
	Credit Substitutes and Compulsory Convertible Debentures			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,832.40	1,364.38	-	**3,196.78**
New Assets originated (net)	836.48	(655.67)	-	**180.81**
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	356.58	(356.58)	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	**3,025.46**	**352.13**	-	**3,377.59**

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

Particulars	March 31, 2020							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**29.36**	**1.26**	**161.36**	**191.98**	**110.62**	**35.62**	**250.19**	**396.43**
Change in ECL due to change in ECL model rate	10.36	0.99	-	**11.35**	30.34	5.74	0.03	**36.11**
ECL on new Assets originated, Netted off for repayments and loans derecognised during the year	369.76	161.13	237.20	**768.09**	347.99	138.20	102.69	**588.88**
Transfers from Stage 1	(207.92)	33.38	174.54	-	(339.21)	13.98	325.23	-
Transfers from Stage 2	3.78	(54.22)	50.44	-	-	(167.30)	167.30	-
Transfers from Stage 3	1.23	0.12	(1.35)	-	2.45	-	(2.45)	-
Write Offs	-	-	(331.42)	**(331.42)**	-	-	(291.65)	**(291.65)**
ECL allowance closing balance	**206.57**	**142.66**	**290.77**	**640.00**	**152.19**	**26.24**	**551.34**	**729.77**

Note:The increase in ECL is majorly attributable to increase in the portfolio and classification of loans as Stage II and Stage III due to deterioration in general economic conditions.

Particulars	March 31, 2019							
	Consumer				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	17.71	0.39	6.66	**24.76**	**88.52**	**35.70**	**112.54**	**236.76**
Change in ECL due to change in ECL model rate	(5.84)	(0.01)	-	**(5.85)**	1.66	13.49	39.07	**54.22**
ECL on new Assets originated, Netted off for repayments and loans derecognised during the year	178.83	(0.31)	74.33	**252.85**	50.22	53.52	1.71	**105.45**
Transfers from Stage 1	(166.42)	10.41	156.01	-	(30.82)	3.60	27.22	-
Transfers from Stage 2	0.05	(9.22)	9.17	-	1.04	(70.69)	69.65	-
Transfers from Stage 3	5.03	-	(5.03)	-	-	-	-	-
Write Offs	-	-	(79.78)	**(79.78)**	-	-	-	-
ECL allowance closing balance	**29.36**	**1.26**	**161.36**	**191.98**	**110.62**	**35.62**	**250.19**	**396.43**

Note:The increase in ECL is majorly attributable to increase in the portfolio and classification of loans as Stage II and Stage III due to deterioration in general economic conditions.

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

Particulars	March 31, 2020			
	Credit Substitutes and Compulsory Convertible Debentures			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	35.46	45.29	-	**80.75**
Change in ECL due to change in ECL model rate	(3.25)	-	-	**(3.25)**
ECL on new Assets originated, Netted off for repayments and loans derecognised during the year	168.74	(45.29)	-	**123.45**
Transfers from Stage 1	(177.95)	-	177.95	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Write Offs	-	-	-	-
ECL allowance closing balance	**23.00**	-	**177.95**	**200.95**

Note:The increase in ECL is majorly attributable to increase in the portfolio and classification of loans as Stage II and Stage III due to deterioration in general economic conditions.

Particulars	March 31, 2019			
	Credit Substitutes and Compulsory Convertible Debentures			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	21.81	108.43	-	**130.24**
Change in ECL due to change in ECL model rate	5.33	-	-	**5.33**
ECL on new Assets originated, Netted off for repayments and loans derecognised during the year	4.97	(59.79)	-	**(54.82)**
Transfers from Stage 1	3.35	(3.35)	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Write Offs	-	-	-	-
ECL allowance closing balance	**35.46**	**45.29**	-	**80.75**

6.2 Impairment assessment

The Company pursuant to RBI circular dated March 27, 2020 has passed a policy by circulation dated 1 April 2020 to grant moratorium to all its borrowers which were less than 90 days past due as on March 1, 2020. As per the policy, the day past due status of the borrowers as on the date of implementation of the moratorium shall continue. The Company has not considered such extension of moratorium to borrowers by itself to have resulted in significant increase in credit risk.

6.3 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.

S.R. Batliboi & Associates 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, 2020
(All Amount In Rs. In millions, except for share data unless stated otherwise)

7 Investments

Particulars	Amortised Cost	At fair Value		Subtotal	Others*	Total
		Through Profit and Loss	Through other comprehensive income			
As at March 31, 2020						
Mutual Fund Investments	-	11,966.50	-	11,966.50	-	11,966.50
Investments In Subsidiaries / Associate equity						
DMI Capital Private Limited - CCPS	-	303.30	-	303.30	-	303.30
DMI Management Services Private Limited- Equity Shares	-	-	-	-	0.96	0.96
DMI Alternatives Private Limited	-	-	-	-	4.25	4.25
DMI Capital Private Limited - Equity Shares	-	-	-	-	0.99	0.99
Investment In Other Equity Shares						
DMI Consumer Credit Private Limited	-	-	3.16	3.16	-	3.16
DMI Housing Finance Private Limited - Equity Shares	-	-	-	-	-	-
McNally Bharat Engineering Company Limited - Equity Shares	-	7.20	-	7.20	-	7.20
Flash Electronics Private Limited - Equity Shares	-	-	250.00	250.00	-	250.00
Alchemist Asset Reconstruction Company - Equity Shares	-	-	226.20	226.20	-	226.20
Alchemist XV Trust (Investment)	-	195.00	-	195.00	-	195.00
DMI AIF Special Opportunities Scheme	-	-	10.80	10.80	-	10.80
Compulsory Convertible Debentures(CCDs)	-	-	773.17	773.17	-	773.17
Credit Substitutes	1,333.92		419.58	1,753.50	-	1,753.50
Total (A)	1,333.92	12,472.00	1,682.91	15,488.83	6.20	15,495.03
Investments outside India	-	-	-	-	-	-
Investments in India	1,333.92	12,472.00	1,682.91	15,488.83	6.20	15,495.03
Total (B)	1,333.92	12,472.00	1,682.91	15,488.83	6.20	15,495.03
Less: Allowance for Impairment loss (C)**	106.40	-	94.55	200.95	-	200.95
Total Net D = (A) -(C)	1,227.52	12,472.00	1,588.36	15,287.88	6.20	15,294.08

* At cost
** Refer Note 6.1 for movement of ECL and gross carrying amount of credit substitutes and CCDs

Particulars	Amortised Cost	At fair Value		Subtotal	Others*	Total
		Through Profit and Loss	Through other comprehensive income			
As at March 31, 2019						
Mutual Fund Investments	-	4,806.67	-	4,806.67	-	4,806.67
Investments In Subsidiaries / Associate equity						
DMI Capital Private Limited - CCPS	-	293.12	-	293.12	-	293.12
DMI Management Services Private Limited- Equity Shares	-	-	-	-	0.96	0.96
DMI Alternatives Private Limited	-	-	-	-	2.70	2.70
DMI Capital Private Limited - Equity Shares	-	-	-	-	0.99	0.99
Investment In Other Equity Shares						
DMI Consumer Credit Private Limited	-	-	3.00	3.00	-	3.00
DMI Housing Finance Private Limited - Equity Shares	-	-	264.87	264.87	-	264.87
McNally Bharat Engineering Company Limited - Equity Shares	-	198.40	-	198.40	-	198.40
Flash Electronics Private Limited - Equity Shares	-	-	250.00	250.00	-	250.00
Alchemist Asset Reconstruction Company - Equity Shares	-	-	316.68	316.68	-	316.68
Alchemist XV Trust (Investment)	-	196.75	-	196.75	-	196.75
DMI AIF Special Opportunities Scheme	-	-	10.48	10.48	-	10.48
Compulsory Convertible Debentures(CCDs)	-	-	772.93	772.93	-	772.93
Credit Substitutes	1,708.81	-	895.85	2,604.66	-	2,604.66
Total (A)	1,708.81	5,494.94	2,513.81	9,717.56	4.65	9,722.21
Investments outside India	-	-	-	-	-	-
Investments in India	1,708.81	5,494.94	2,513.81	9,717.56	4.65	9,722.21
Total (B)	1,708.81	5,494.94	2,513.81	9,717.56	4.65	9,722.21
Total (A) to tally with (B)	1,708.81	5,494.94	2,513.81	9,717.56	4.65	9,722.21
Less: Allowance for Impairment loss (C)**	57.92	-	22.83	80.75	-	80.75
Total Net D = (A) -(C)	1,650.89	5,494.94	2,490.98	9,636.81	4.65	9,641.46

* At cost
** Refer Note 6.1 for movement of ECL and gross carrying amount of credit substitutes and CCDs

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

Notes:

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

(ii) **Terms attached to compulsorily convertible preference shares issued by DMI Capital Private Limited**

The holders of the CCPS shall be entitled to receive dividends on a pari passu basis as and when the dividends are declared on the Equity Shares.

The CCPS shall not carry any voting rights until conversion into Equity Shares, except in accordance with applicable laws.

In the event of a liquidation, dissolution or winding up (voluntary or otherwise), CCPS shall immediately be converted into Equity Shares at the Conversion Price (as defined hereunder) on the date of conversion.

Upon such conversion, the Equity Shares issued against conversion of CCPS shall rank pari passu with all other Equity Shares in all respects, including for purposes of the distribution of assets of the Company.

CCPS shall compulsorily convert into Equity Shares at the end of 10 years from the date of issue. However, at any time after the date of issuance of CCPS, the registered holder of such CCPS can also choose to convert the CCPS.

CCPS shall be converted into Equity Shares at the fair market value of Equity Shares as determined by the Board of Directors of the Investee Company on the date of conversion ("Conversion Price"). However, such conversion cannot be undertaken below the value per share arrived at based on discounted cash flow method prevailing on the date of issue of CCPS.

(iii) During the year the Company has sold it entire equity stake in DMI Housing Finance to various existing investors and its holding compay

8 Other financial assets (at amortized cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit	21.04	10.56
Others	498.63	660.57
Total	**519.67**	**671.13**

DMI Finance Private Limted

Notes to the Standalone Financial Statements for the Year ended March 31, 2020

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

9(a) Property, plant and equipment

	Furniture and fixtures	Computer	Vehicles	Office equipment	Lease hold improvements	Right-of-use Asset	Total
At March 31, 2018	1.51	12.33	6.42	10.65	56.91	-	87.82
Purchase	0.08	7.07	-	4.41	15.42	-	26.98
Disposals	-	-	-	-	-	-	-
At March 31, 2019	1.59	19.40	6.42	15.06	72.33	-	114.80
Re-Classification Adjustment	(0.62)	(0.33)	-	0.65	-	-	(0.30)
Purchase	0.50	9.72	0.00	15.68	68.91	293.91	388.72
Disposals	-	-	(1.06)	-	-	-	(1.06)
At March 31, 2020	1.47	28.79	5.36	31.39	141.24	293.91	502.16

Depreciation							
At March 31, 2018	0.46	7.27	3.01	5.48	9.83	-	26.05
Charge for the year	0.13	6.44	1.07	3.26	7.71	-	18.61
Disposals	-	-	-	-	-	-	-
At March 31, 2019	0.59	13.71	4.08	8.74	17.54	-	44.66
Re-Classification Adjustment	(0.03)	(1.33)	-	0.06	-	-	(1.30)
Charge for the year	0.13	7.40	0.71	6.39	12.40	45.24	72.27
Disposals	-	-	(1.00)	-	-	-	(1.00)
At March 31, 2020	0.69	19.78	3.79	15.19	29.94	45.24	114.63

Net Block							
At March 31, 2019	0.99	5.70	2.34	6.32	54.79	-	70.14
At March 31, 2020	0.78	9.01	1.57	16.20	111.30	248.67	387.53

9(b) Intangible assets

	Software	Total
Gross block		
At March 31, 2018	3.21	3.21
Capitalised during the year	-	-
Purchase	5.42	5.42
At March 31, 2019	8.63	8.63
Re-Classification Adjustment	0.30	0.30
Capitalised during the year	-	-
Purchase	6.73	6.73
At March 31, 2020	15.66	15.66

Amortization		
At March 31, 2018	1.52	1.52
Charge for the year	1.16	1.16
At March 31, 2019	2.68	2.68
Re-Classification Adjustment	1.30	1.30
Charge for the year	4.13	4.13
At March 31, 2020	8.11	8.11

Net block		
At March 31, 2019	(1.38)	(1.38)
At March 31, 2020	7.55	7.55

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10 Other non- financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advance	9.14	0.00
Prepaid Expenses	45.40	28.45
Balances with statutory / government authorities	277.33	75.95
Deferred Rent Expenses	0.10	0.10
Other Non Financial Assets	0.49	18.71
Total	**332.46**	**123.21**

11 Assets held for sale

Particulars	As at March 31, 2020	As at March 31, 2019
Assets under settlement	189.85	533.70

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. The Company holds total assets under settlement to Rs. 189.85 millions as on 31st March 2020 (Previous year Rs. 533.70 millions). During the year the Company has liquidated the assets amounting to Rs 180 millions. Further, with respect to assets amounting to Rs. 442.94 Millions, it entered into an arrangement under Insolvency and Bankruptcy Code on July 13, 2018 whereby the Company will recover a total amount of Rs. 263.98 Millions over a period of five years towards the claim Rs. 163.85 Millions towards asset under settlement and Rs. 279.09 millions of remaining original loans due from the borrower. The company has recorded the recoverable amount as a new loan at its net present value i.e. Rs 204.56 Millions which is classified under Stage 1 and recorded a loss for the balance amount.

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12 Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Total outsanding dues of Micro Enterprises and Small Enterprises	-	-
Total outsanding dues of Creditors other than Micro Enterprises and Small Enterprises	195.24	94.73
Total	**195.24**	**94.73**

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the Year ended March 31, 2020, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

13 Debt Securities

Particulars	As at March 31, 2020	As at March 31, 2019
Non Convertible Debentures (Refer Note 13.1)	20,547.57	5,782.28
Optionally Convertible Debentures	2,250.00	-
Total gross (A)	**22,797.57**	**5,782.28**
Secured*	4,744.57	5,782.28
Unsecured	18,053.00	-
Total	**22,797.57**	**5,782.28**
Debt securities in India	22,797.57	5,782.28
Debt securities outside India	-	-
Total (B) to tally with (A)	**22,797.57**	**5,782.28**

*Secured against Exclusive floating charge by way of hypothecation of loans and receivables of the Company.

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13.1 Details of Redeemable Non Convertible Debentures

Sr. No.	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of Interest p.a.	Face value(in Rs)	As at March 31, 2020	As at March 31, 2019	Secured/ Unsecured	Terms of redemption
1	15-06-2018	14-06-2021	10,00,000	1000	10.05%	1.00	-	992.91	Secured	To be redeemed 36 months from the date of allotment. Coupon payment to be made half yearly.
2	05-10-2018	02-11-2019	10,00,000	1500	10.50%	1.00	-	1,500.00	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is half yearly.
3	03-10-2018	02-11-2019	10,00,000	500	10.50%	1.00	-	500.00	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is half yearly.
4	27-11-2018	26-12-2019	10,00,000	550	10.75%	1.00	-	550.00	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is half yearly
5	09-05-2018	09-11-2019	10,00,000	1000	9.50%	1.00	-	750.00	Secured	On or prior to 18 months from the first allotment date. Principal repayment commenced from March 2019
6	15-06-2018	14-06-2020	10,00,000.00	1500	9.45%	1,50,00,00,000	1,498.34	1,489.37	Secured	To be redeemed 24 months from the date of allotment. Coupon payment to be made half yearly.
7	18-07-2019	17-08-2020	10,00,000.00	900.00	10.35%	90,00,00,000	896.61	-	Secured	Series A: To be redeemed on August 17, 2020 Series B: To be redeemed on July 16, 2021 Series C: To be redeemed on July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
8	18-07-2019	16-07-2021	10,00,000.00	950.00	10.35%	95,00,00,000	49.81	-	Secured	Series A: To be redeemed on August 17, 2020 Series B: To be redeemed on July 16, 2021 Series C: To be redeemed on July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
9	18-07-2019	15-07-2022	10,00,000.00	1,000.00	10.35%	1,00,00,00,000	49.81	-	Secured	Series A: To be redeemed on August 17, 2020 Series B: To be redeemed on July 16, 2021 Series C: To be redeemed on July 15, 2022 In case the investor has not exercised the Put option on the debenture by the second Put Notification Date (30 calendar days prior to July 16, 2021), the investor will quote a rate to the issuer on the second Put Notification Date for the remaining tenor of the debenture. Coupon Payment frequency is quarterly.
10	01-10-2019	01-10-2022	10,00,000.00	1,160.00	10.35%	1,16,00,00,000	1,160.00	-	Unsecured	To be redeemed on or prior to 36 months from the first Allotment date. Coupon payment frequency is quarterly.
11	21-10-2019	21-10-2022	10,00,000.00	2,040.00	8.50%	2,04,00,00,000	2,040.00	-	Unsecured	To be redeemed on or prior to 36 months from the first Allotment date. Coupon payment frequency is quarterly.
12	01-11-2019	01-12-2020	100.00	2,00,00,000.00	10.35%	2,00,00,00,000	2,000.00	-	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is quarterly.
13	08-11-2019	08-12-2020	100.00	25,00,000.00	10.35%	25,00,00,000	250.00	-	Secured	To be redeemed on or prior to 13 months from the first Allotment date. Coupon payment frequency is quarterly.
14	25-11-2019	25-11-2023	10,00,000.00	2,040.00	8.50%	2,04,00,00,000	2,040.00	-	Unsecured	To be redeemed on or prior to 48 months from the first Allotment date. Coupon payment frequency is quarterly.
15	10-12-2019	10-12-2023	10,00,000.00	867.00	8.50%	86,70,00,000	867.00	-	Unsecured	To be redeemed on or prior to 48 months from the first Allotment date. Coupon payment frequency is quarterly.
16	20-02-2020	20-02-2024	10,00,000.00	7,172.00	8.50%	7,17,20,00,000	7,172.00	-	Unsecured	To be redeemed on or prior to 48 months from the first Allotment date. Coupon payment frequency is quarterly.
17	28-02-2020	28-02-2024	10,00,000.00	4,640.00	9.50%	4,64,00,00,000	4,640.00	-	Unsecured	To be redeemed on or prior to 48 months from the first Allotment date. Coupon payment frequency is quarterly.
18	12-03-2020	12-03-2024	10,00,000.00	134.00	8.50%	13,40,00,000	134.00	-	Unsecured	To be redeemed on or prior to 48 months from the first Allotment date. Coupon payment frequency is quarterly.
						Total Amount	22,797.57	5,782.28		

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

14 Borrowings

At amortised cost	As at March 31, 2020	As at March 31, 2019
Secured*		
Term loans		
From Banks	2,824.83	4,138.86
Cash Credit	-	332.86
Lease Liability IND AS 116	266.45	-
Total gross (A)	**3,091.28**	**4,471.72**
Borrowings in India	**3,091.28**	**4,471.72**
Borrowings outside India	-	-
Total (B) to tally with (A)	**3,091.28**	**4,471.72**

*Secured against Exclusive floating charge by way of hypothecation of loans and receivables of the Company.

Details of the Term Loans from Banks are as follows:

Bank Name	Repayment Details	Rate of Interest	Security Cover	Outstanding as on 31st March 2020	Outstanding as on 31st March 2019
State Bank of India-II	14 quarterly installments	=>9%<12%	133%	-	142.51
Karur Vysya Bank	14 quarterly installments	=>9%<12%	133%	-	64.16
HDFC Bank	16 quarterly installments	=>9%<12%	133%	131.04	205.72
HDFC Bank	12 monthly installments	=>9%<12%	133%	186.70	-
SIDBI-II	14 quarterly installments	=>9%<12%	133%	-	188.35
Kotak Mahindra Bank	12 quarterly installments	=>9%<12%	133%	49.96	99.84
Union Bank of India	14 quarterly installments	=>9%<12%	133%	248.35	389.58
Union Bank of India	14 quarterly installments	=>9%<12%	133%	354.04	494.74
IFCI	14 quarterly installments	=>9%<12%	133%	-	711.21
AU Small Finance Bank	36 monthly installments	=>9%<12%	110%	162.22	311.67
AU Small Finance Bank	36 monthly installments	=>9%<12%	110%	191.21	-
South Indian Bank	14 quarterly installments	=>9%<12%	133%	170.84	255.87
Lakshmi Vilas Bank-III	12 quarterly installments	=>9%<12%	133%	166.02	297.85
Bank of Baroda-I	16 quarterly installments	=>9%<12%	133%	737.18	977.35
Hinduja Leyland Finance	36 monthly installments	=>9%<12%	110%	427.27	-
Total				**2,824.83**	**4,138.85**

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15 Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due		
Interest Payable on CCD	-	1.79
Interest Payable on Debt Securities	215.41	76.53
Interest Payable on Bank Borrowings	6.34	6.45
Other financial liabities	111.36	166.64
	333.11	**251.41**

16 Tax Expenses

The major components of income tax expense for the years ended March 31, 2020 are :

Profit or loss section	Year ended March 31, 2020	Year ended March 31, 2019
Current income tax:		
Current income tax charge	548.07	315.27
Deferred tax:		
Relating to origination and reversal of temporary differences	(195.27)	0.74
Income tax expense reported in the statement of profit or loss	**352.80**	**316.01**

OCI section

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Unrealised (gain)/loss on FVTOCI debt securities		6.37
Unrealised (gain)/loss on FVTOCI equity securities	24.00	0.63
Net loss/(gain) on remeasurements of defined benefit plans	0.50	(0.11)
Income tax charged to OCI	24.50	6.89

Reconciliation between effective tax rate and statutory tax rate

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax (including Other Comprehensive Income)	1,246.32	1,069.36
At corporate tax rate of 25.17% (Previous year 29.12%)	313.70	311.40
Expenditure disallowed	34.55	409.25
Income not subject to tax	(53.13)	(73.47)
Deductions	25.73	(411.83)
Short term capital gain	1.28	2.24
Impact due to revaluation of deferred tax due to change in Income tax rate*	6.16	71.54
Tax expense (effective tax rate of 26.34%, Previous year 28.91%)	328.30	309.12

* Company opted for reduced corporate tax rate of 25.17% as per recently inserted section 115BAA of the Income Tax Act, 1961 during the year ended 31 March 2020.

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

Deferred Tax liabilities / (assets)	March 31, 2020	March 31, 2019
Deferred tax liability		
Interest Component on CCD and CCPS	-	(54.58)
Fair value of Financial Instruments	(75.07)	(118.94)
Difference in income recognition on unrealized gain on mutual fund investments	(16.75)	(15.25)
Gross deferred tax liability	**(91.82)**	**(188.77)**
Deferred tax asset		
Provision for gratuity and Leave availment	9.55	5.52
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	5.91	4.14
Rent Equilization Reserves	3.96	-
ECL	366.51	194.86
Carry forward of Interest disallowed u.s 94B	25.67	29.68
Gross deferred tax asset	**411.60**	**234.20**
Net Deferred Tax (Liability)/ Asset	**319.78**	**45.43**

17 Other Non-financial Liabitilies

Particulars	As at March 31, 2020	As at March 31, 2019
Employee Benefit Expenses Payable	86.62	48.96
Statutory Dues Payable	268.70	66.91
Provision for Expenses	57.28	22.15
Others*	210.38	114.87
Total	**622.98**	**252.89**

* Others include Processing Fee refundable to channel partners, advance received from borrowers and amount collected from borrowers as Debt service reserve account (DSRA).

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

18 Equity share capital

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

	As at March 31, 2020	As at March 31, 2019
Authorized share Capital		
965,000,000 (P.Y. 965,000,000) Equity Shares of Rs. 10/- each	9,650.00	9,650.00
35,000,000 (P.Y. 35,000,000) Compulsorily Convertible Preference Shares of Rs. 10/- each	350.00	350.00
Equity Share Capital	**10,000.00**	**10,000.00**
Issued & Subscribed:		
Fully Called-up and Paid-up		
558,979,166 (P.Y. 520,957,897) Equity shares of Rs. 10/- each	5,589.79	5,209.58
Sub Total (A)	**5,589.79**	**5,209.58**
Partly Called-up and Paid-up		
57,315,400 (P.Y. Nil) Equity shares of Rs. 10/- each [1]	3.15	-
Sub Total (A)	**3.15**	-
Preference Share Capital		
Issued & Subscribed:		
Fully Called-up and Paid-up		
Nil B Series (P.Y. 15,481,134) compulsorily convertible preference shares of Rs. 10 each	-	154.81
Nil C Series (P.Y. 6,749,135) compulsorily convertible preference shares of Rs. 10 each	-	67.49
Nil D Series (P.Y. 247,468) compulsorily convertible preference shares of Rs. 10 each	-	2.47
Nil E Series (P.Y. 224,971) compulsorily convertible preference shares of Rs. 10 each	-	2.25
Nil F Series (P.Y. 899,885) compulsorily convertible preference shares of Rs. 10 each	-	9.00
Nil G Series (P.Y. 4,180,602) compulsorily convertible preference shares of Rs. 10 each	-	41.81
Sub Total (B)	-	**277.83**
Total (A+B)	**5,592.94**	**5,487.41**

[1] During the year, 2,77,83,195 Compulsorily Convertible Preference Shares ("CCPS") of face value of Rs. 10/- each were converted into 2,00,56,804 Ordinary Equity shares of face value of Rs. 10/-each. The detail is as given below:

18.1 Details for Conversion of Compulsory Convertible Preference Shares(CCPSs) during the year

Particulars	No. of convertible CCPSs	Number of equity shares issued upon conversion	Premium*	Share Capital
C Series compulsorily convertible preference shares of Rs. 10 each	6.75	5.45	13.00	54.49
D Series compulsorily convertible preference shares of Rs. 10 each	0.25	0.20	0.49	1.99
E Series compulsorily convertible preference shares of Rs. 10 each	0.22	0.18	0.44	1.81
F Series compulsorily convertible preference shares of Rs. 10 each	0.90	0.73	1.70	7.30
B Series compulsorily convertible preference shares of Rs. 10 each	15.48	9.80	56.85	97.96
G Series compulsorily convertible preference shares of Rs. 10 each	2.09	1.85	2.39	18.51
G Series compulsorily convertible preference shares of Rs. 10 each	2.09	1.85	2.39	18.51
Total	27.78	20.06	77.26	200.57

*Total premium is Rs. 218.09 Millions out of which Rs. 140.83 millions is already received in cash in previous years and Rs.77.26 Millions pertains to conversion.

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of year	52,09,57,897	5,209.58	32,44,18,138	3,244.18
Add: Equity Share Allotted during year				
Shares issued during the year	7,52,79,865	182.79	9,62,48,878	962.49
Shares issued pursuant to conversion of compulsorily convertible preference shares	2,00,56,804	200.57		
Shares issued pursuant to conversion of compulsorily convertible debendtures	-	-	10,02,90,881	1,002.91
Equity share at the end of year	**61,62,94,566**	**5,592.94**	**52,09,57,897**	**5,209.58**

18.3 **Shares held by holding Company**

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	43,89,39,922	71.22%	41,85,24,894	80.34%
Total	**43,89,39,922**	**71.22%**	**41,85,24,894**	**80.34%**

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.

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	43,89,39,922	71.22%	41,85,24,894	80.34%
NIS Ganesha S.A.	6,47,35,441	10.50%	6,25,34,447	12.00%
K2VZ[1]	5,73,15,400	9.30%	-	-
Total	**56,09,90,763**	**91.03%**	**48,10,59,341**	**92.34%**

[1] During the year, Equity shares issued on partly-paid up basis where subscription amount being received on allotment is Rs. 32.11 Millions (Face Value Rs.10/-per share, Paid up value- Rs. 0.57 per share inclusive of premium of Rs.0.51 per share) calculated proportionately, balance of Rs. 5,806.61 Millions (i.e. Face value and Share premium) is yet to be received.

Compulsorily convertible preference shares of Rs. 10 each fully paid up				
Windy Investments Private Limited (B Series)	-	-	1,54,81,134	55.72%
Windy Investments Private Limited (G Series)	-	-	41,80,602	15.05%
Anuj Malhotra (C Series)	-	-	67,49,135	24.29%
Total	-	-	**2,64,10,871**	**95.06%**

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.

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19 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Share Premium Account[2]	14,547.77	12,905.76
Capital Redemption Reserve	81.21	81.21
Regulatory Reserve u/s 45-IC of RBI Act	932.84	731.31
Share Options Outstanding Account[1]	66.58	28.04
Retained earnings	3,538.91	2,768.05
Total	**19,167.31**	**16,514.37**

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

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

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20 Interest Income

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	On financial assets measured at fair value through OCI
Interest on Loans	5,909.51	162.05	3,211.73	356.40
Interest income on loan to associates[1]	-	-	11.20	-
Interest on Margin Money Deposits	6.49	-	0.67	
	5,916.00	162.05	3,223.60	356.40

1. Interest Income on loan to associates includes Interest on loan given to DMI Housing Finance Private Limited and DMI Alternatives Private Limited given in FY 2019-20 NIL (FY 2018-19 Rs.11.2 millions).

21 Fees and commission Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Card Reload Fee	45.28	5.88
Other Income	6.75	1.22
	52.03	7.10

22 Net gain/(loss) on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain/(loss) on financial instruments at fair value through profit and loss		
Investments	225.77	248.38
Total Net gain/(loss) on fair value changes	225.77	248.38
Analysis of fair value changes		
Realised	202.87	98.34
Unrealised	22.90	150.53
Total Net gain/(loss) on fair value changes	225.77	248.87

23 Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Misc Income	0.02	4.98
Total	0.02	4.98

24 Finance Costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest		
on compulsory convertible debentures	-	133.39
on non convertible debentures	952.03	539.13
on bank term loan	396.28	389.61
on bank cash credit	10.42	26.95
on CCPS debt	-	25.29
on delayed deposit of statutory dues	0.20	0.34
Fees on borrowings		
- On Term Loans	24.81	19.46
- On Debt Securities	25.01	7.46
Bank charges	30.19	12.39
Financial Cost on lease liability	20.86	-
Other Interest Expense	9.09	1.49
Total	1,468.89	1,155.51

25 Fees and commission expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Selling Partner Commission	843.03	215.09
	843.03	215.09

26 Impairment on financial instruments

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost	Total	On financial instruments measured at fair value through Other Comprehensive Income	On financial instruments measured at Amortised cost	Total
Loans	1.65	779.72	781.37	1.15	325.73	326.88
Investments	71.72	48.48	120.20	(14.26)	(35.23)	(49.49)
Write offs	-	631.58	631.58	-	255.61	255.61
Total	73.37	1,459.78	1,533.15	(13.11)	546.11	533.00

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27 Employee Benefits Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	413.89	509.37
Contribution to provident and other funds	24.14	13.88
Share Based Payments to employees	40.90	28.78
Staff welfare expenses	14.28	10.21
Total	**493.21**	**562.24**

28 Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement Expenses	13.30	9.40
Legal and professional fees	163.47	58.44
Travelling & conveyance expenses	28.57	25.11
Audit fee[1]	3.78	3.10
IT Expenses	87.77	43.03
Rates and taxes	2.46	17.44
Rent	2.04	18.79
GST Written off	198.89	61.03
Communication Expenses	1.81	3.01
Printing & Stationery	1.38	1.49
Independent Directors Fee	0.16	0.58
Corporate Social Responsibility[2]	21.30	19.70
Repair and Maintenance	9.77	14.07
Insurance Expense	0.04	1.05
Security expense	4.15	5.03
Credit Evaluation Fee	30.71	4.24
Customer Onboarding Expenses	12.88	-
Other Expense Provision Written Off	13.99	-
Miscellaneous expenses	1.03	0.47
Total	**597.50**	**285.98**

1. Auditor's remuneration

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	2.65	2.65
Tax audit fees	0.29	0.28
Other services	0.84	0.17
	3.78	**3.10**

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. 21.30 millions in FY 2019-20 (Previous Year Rs. 19.50 millions) and Company has spent Rs. 21.30 millions in FY 2019-20 (Previous Year Rs. 19.70 millions).

29 Earning per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (In Millions)	556.10	471.66
Net profit for calculation of basic EPS	990.89	752.86
Basic earning per share (In Rs)	**1.78**	**1.60**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (In Millions)	558.90	474.51
Net profit for calculation of Diluted EPS	990.89	752.86
Diluted earning per share (In Rs)	**1.77**	**1.59**
Nominal value of equity shares (In Rs)	**10.00**	**10.00**

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30 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 FY 2019-20 Rs 6.69 millions (FY 2018-19 Rs 4.43 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 31March 2020

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
	01-04-2019	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-20
Gratuity	8.25	6.19	0.64	6.83		-	(0.01)	2.12	(0.11)	2.00	-	17.08

Changes in the defined benefit obligation and fair value of plan assets as at 31March 2019

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
	01-04-2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-19
Gratuity	4.97	3.45	0.40	3.85	(0.18)	-	-	0.16	(0.55)	(0.39)	-	8.25

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

Particulars	31-Mar-20	31-Mar-19
Economic assumptions		
Discount rate	6.76%	7.66%
Future salary increases	6.00%	6.00%
Demographic assumptions	**31-Mar-20**	**31-Mar-19**
Retirement age	60	60
Mortality rates inclusive of provision for disablity	100% of IALM (2012-14)	100% of IALM (2006-08)
Attrition at ages (withdrawal rate)		
(i) upto 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

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 & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.
A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

	31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19	
Assumptions	Discount rate				Future salary increases			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(1.33)	1.47	(0.63)	0.70	1.48	(1.34)	0.70	(0.64)

The following is the maturity profile of gratuity:

Expected payment for future years	31-Mar-20	31-Mar-19
0 to 1 Year	0.16	0.10
1 to 2 Year	0.19	0.06
2 to 3 Year	0.29	0.08
3 to 4 Year	0.29	0.09
4 to 5 Year	0.30	0.12
5 to 6 Year	0.29	0.14
6 Year onwards	15.57	7.66
Total expected payments	**17.09**	**8.25**

The weighted average duration of the defined benefit obligation as at 31 March 2020 is 20.36 years (2019 is 20.32 years)

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31 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, 2020 are as given below:

Scheme Name	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Managemant Scheme	DMI ESOP Plan, Legacy Scheme
Date of grant	01-Apr-19	16-Mar-20	19-Mar-18	01-Apr-18	01-Oct-18	01-Apr-18
Date of Board / Committee approval	11-Feb-20	11-Feb-20	16-Mar-18	16-Mar-18	01-Oct-18	16-Mar-18
Number of Options granted	7,72,377	17,00,000	3,22,023	15,50,442	7,23,981	18,27,677
Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares
Graded vesting period *	As defined below	As defined below	As defined below	As defined below	As defined below	As defined below
First vesting date	31st March 2020	15th March 2021	18th March 2019	31-Mar-19	30-Sep-19	31-Mar-19
Exercise period **	5 years	5 years	5 years	5 years	5 years	5 years
Vesting conditions	**DMI ESOP PLAN 2019**	**DMI ESOP RETENTION PLAN 2019**	**As per DMI ESOP Plan**	**As per DMI Retention Plan, 2018**	**As per DMI ESOP Plan, Managemant Scheme**	**As per DMI ESOP Plan, Legacy Scheme**
Exercise price per option	95.49	100	43.90	46.74	62.21	13.29
Stock price on the date of grant	95.49	101.87	22.81	24.68	95.49	24.68

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

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

31st March 2020

II. Reconciliation of options	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan,Managemant Scheme	DMI ESOP Plan, Legacy Scheme	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019
Options outstanding at the beginning of the year	3,22,023	15,50,442	7,23,981	18,27,677	-	-
Granted during the year	-	-	-	-	7,72,377	17,00,000
Exercised during the year	-	-	-	-	-	-
Lapsed during the year	-	29,800	1,19,586	-	-	-
Outstanding at the end of the year	3,22,023	15,20,642	6,04,395	18,27,677	7,72,377	17,00,000
Weighted average remaining contractual life (in years)	2.96	3.00	3.50	3.00	4.00	4.96

31st March 2019

II. Reconciliation of options	DMI ESOP plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Legacy Scheme	DMI ESOP Plan,Managemant Scheme
Options outstanding at the beginning of the year	3,22,023	-	-	-
Granted during the year	-	15,50,442	18,27,677	7,23,982
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	3,22,023	15,50,442	18,27,677	7,23,982
Weighted average remaining contractual life (in years)	3.96	4.00	4.00	4.50

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

III. Computation of fair value

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

ESOP PLAN	DMI ESOP PLAN 2019	DMI ESOP RETENTION PLAN 2019	DMI ESOP PLAN 2018	DMI Retention Plan, 2018	DMI ESOP Plan, Managemant Scheme	DMI ESOP Plan, Legacy Scheme
Fair Market Value (Rs.)	95.49	101.87	22.81	24.68	95.49	24.68
Volatility	30%	30%	15%	15.00%	15%	15%
Risk free Rate	7.35%	6.5%	6%	7.50%	7.50%	7%
Exercise Price (Rs.)	95.49	100	43.90	46.74	62.21	13.29
Option Fair Value	**38.86**	**40.47**	**0.67**	**1.15**	**49.45**	**15.32**

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 recognies share based compensation in the Statement of Profit and Loss with a corresponding credit to Capital Reserve Account (Share Options Outstanding Account).

The company has granted options of DMI Housing Finance Private Limited(Grantor) to its employees for which the Company has entered into Cost chargeback agreement with the Grantor whereby the company would be required to pay the difference in market price and exercise price of the options exercised by the employees of the Company. In the current year, the Company has recognized Rs. 3.92 Millions as share based compensation expense in the Statement of Profit and Loss with a corresponding credit to a liability account which is Rs 7.14 Millions as on March 31,2020.

The employees' compensation expense for Stock options during the year ended 31 March 2020 amounts to Rs.40.90 millions (previous year Rs.28.78 millions).

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

(a) Detail of related parties

Nature of relationship	Name of Related party
Holding company	DMI Limited
Subsidiary Companies	DMI Management Services Private Limited DMI Capital Private Limited
Associate Company	DMI Alternatives Private Limited
Fellow Subsidiary	DMI Consumer Credit Private Limited DMI Housing Finance Private Limited
Key Management Personnel	Mr. Yuvraja Chanakya Singh Mr. Shivashish Chatterjee Mrs. Bina Singh Mrs. Jayati Chatterjee Mr. Gurcharan Das Mr. Nipender Kochhar Mr. Jatinder Bhasin Mr. Sahib Pahwa
Relative of key management personnel	Mrs. Mallika Singh Ms. Promita Chatterjee
Enterprises owned or significantly influenced by Management personnel or their relatives	DMI Capital Fund LP Compro Technologies Private Limited K2VZ, Partnership Firm

(b) Significant transactions with related parties:

Sale/purchase of services/assets	Purchase of services / assets	Sale of services / assets	Amount owed by related parties	Amount owed to related parties
Compro Technologies Private Limited				
2020	-	-	-	-
2019	0.73	5.98	-	-
DMI Housing Finance Private Limited				
2020	-	64.44	-	-
2019	-	253.79	-	-
DMI Management services Private Limited				
2020	-	0.06	-	-
2019	-	0.60	-	-
DMI Capital Private Limited				
2020	-	0.60	-	-
2019	-	0.60	-	-
DMI Alternative Private Limited				
2020	-	24.29	-	-
2019	-	-	-	-
Bina Singh				
2020	-	2.17	-	-
2019	-	-	-	-
DMI Limited				
2020	-	24.39	-	-
2019	-	-	-	-
ESOP's to Employees of DMI Alternatives Private Limited				
2020	1.55	-	-	4.15
2019	2.60	-	-	2.60
ESOP's to Employees of DMI Housing Finance Private Limited				
2020	-	3.92	7.40	-
2019	-	3.48	3.48	-

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

Loans taken and repayment thereof	Loans taken/transfer/ (repaid)	Interest accrued- (Inclusive of TDS)	Interest paid (exclusive of TDS)	Amount owed by related parties
DMI Capital Fund LP				
2020	-	-	-	
2019	(414.34)	40.86	85.54	-
Ms. Mallika Singh				
2020	-	-	-	
2019	(2.00)	0.20	0.18	-
Mr. Yuvraja Chanakya Singh				
2020	-	-	-	
2019	(12.56)	1.24	1.11	-
DMI Alternatives Private Limited				
2020	-	-	-	
2019	60.00	2.19	-	-
Ms. Bina Singh				
2020	-	-	-	-
2019	(2.25)	0.22	0.20	-

Advance given and repayment thereof	Advance (taken)/ given	Interest on loan, if any	Repayment	Amount owed to related parties
DMI Housing Finance Private Limited				
2020	-	-	-	-
2019	430.00	9.01	(430.00)	-
DMI Management services Private Limited				
2020	-	-	(17.45)	-
2019	17.45	-	-	17.45

Reimbursement of expense	Reimbursement of expense paid by related party on behalf of entity	Reimbursement of expense incurred on behalf of related party	Amount owed to related party
DMI Housing Finance Private Limited			
2020	0.98	-	-
2019	-	-	-
DMI Alternative Private Limited			
2020	-	0.88	-
2019	-	-	-

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Remuneration to key managerial personnel	March 31, 2020	March 31, 2019
Mr. Yuvraja Chanakya Singh, Jt. Managing Director		
Remuneration	57.54	57.28
Post employment benefits	0.36	0.36
Mr. Shivashish Chatterjee, Jt. Managing Director		
Remuneration	56.08	233.97
Post employment benefits	0.36	0.36
Mrs. Jayati Chatterjee, Director		
Sitting fees	0.16	0.20
Mrs. Bina Singh, Director		
Sitting fees	0.06	0.10
Mr. Gurcharan Das		
Sitting fees	0.06	0.08
Mr. Nipender Kochhar	0.16	0.20
Sitting fees		
Mr. Jatinder Bhasin		
Yearly Remuneration	10.00	10.00
Mr. Sahib Pahwa		
Yearly Remuneration	3.40	3.43

Shares issued/ purchased from related party	March 31, 2020	March 31, 2019
DMI Limited		
Issue of equity shares	1,714.63	9,190.81
DMI Capital Fund LP		
Issue of equity shares	-	414.34
Ms. Bina Singh		
Issue of equity shares	-	2.25
Ms. Mallika Singh		
Issue of equity shares	-	2.00
K2VZ, Partnership Firm		
Issue of equity shares	32.11	-

Others

During the Year ended March 31, 2020, the company has down sold certain non convertible debentures to Mr. Sahib Pahwa for consideration as mentioned below:
Sale of NCDs- Nil (Mar'19: Rs. 1.02 Millions)

During the Year ended March 31, 2020, the company has down sold and purchased certain non convertible debentures from Mrs. Jayati Chatterjee for consideration as mentioned below:
Sale of NCDs- Rs 1.24 Millions (Mar'19: Nil)
Purchase of NCDs- Rs 1.20 Millions (Mar'19: Nil)
During the Year ended March 31, 2020, the company has down sold and purchased certain non convertible debentures from Ms. Promita Chatterjee for consideration as mentioned below:
Sale of NCDs- Rs. 0.53 Millions (Mar'19:Nil)
Purchase of NCDs- Rs. 0.51 Millions (Mar'19: Nil)

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33 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 endeavors 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 endeavors to maintain its 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

Particulars	As at March 31, 2020	As at March 31,2019
Tier 1 CRAR	43.31%	65.07%
Tier 2 CRAR	0.69%	0.78%
Total CRAR	44.00%	65.85%

CRAR for the year ended March 31, 2020 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.

34 Contingent liability

The company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs 5474.59 Millions as at March 31, 2020 (Rs. 650 Millions as at March 31,2019)

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35 **Disclosure of Investing and Financing transactions that do not require the use of cash and cash equivalents**

For the Year ended March 31, 2020

Name of Instrument	Opening	Cash Flows	Conversion (including Premium)	Other	Closing
Equity Share Capital (including securities Premium)	17,974.51	182.79	1,983.41	-	20,140.71
Compulsory Convertible Preference Shares(including securities premium)*	418.66	-	(418.66)	-	-
Right of Use Assets	-	-	-	248.67	248.67
Borrowings	9,921.13	15,402.01		299.26	25,622.40

* Refer Note 18.1 for details of conversion of Compulsory Convertible Preference Shares.

For the Year ended March 31, 2019

Name of Instrument	Opening	Cash Flows	Conversion (including Premium)	Other	Closing
Equity Share Capital (including securities Premium)	5,273.48	962.49	11,738.54		17,974.51
Compulsory Convertible Preference Shares(including securities premium)	-	277.83	140.83		418.66
Compulsory Convertible Debentures(CCDs)	3,510.18		(3,510.18)		-
Right of Use Assets	-	-	-	-	-
Borrowings	7,281.99	4,282.47		(1,643.33)	9,921.13

36 **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 Company has adopted Ind AS 116 – Leases from April 1, 2019 and applied it to all lease contracts existing as on April 1, 2019 using the modified retrospective approach. Based on the same and as permitted under the specific transitional provision in the standard, the Company is not required to restate its comparative numbers.

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

Particulars	March 31, 2020
Balance at the beginning of the year	-
Additions made during the year	293.91
Depreciation charge for the year	(45.24)
Balance at the end of the year	248.67

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

Particulars	March 31, 2020
Balance at the beginning of the year	-
Additions made during the year	293.91
Interest accretion for the year	27.34
Payments made during the year	(54.80)
Balance at the end of the year	266.45

The effective interest rate for lease liabilities is between 12.59% and 12.73%, with maturity ranging to 2027-28.

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2020
Depreciation expense in respect of right-of-use asset	45.24
Interest expense in respect of lease liabilities	27.34
Expense relating to short-term leases (included on other expenses)	
Total amount recognised in profit or loss	72.58

The Company's total cash outflows for leases was Rs 54.80 Millions during year ended March 31, 2020

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37 Risk Management

Introduction and risk profile

DMI Finance Private Ltd. 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 struture 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 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 & liabilities

31-Mar-20	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	1,190.89	-	-	-	-	-	-	-	1,190.89
Bank balance other than Cash and cash equivalents	3.21	-	-	-	11.99	-	-	-	15.20
Receivables	35.40	-	-	-	-	-	-	-	35.40
Loans	2,593.84	2,118.42	2,992.18	6,648.71	8,331.45	14,228.42	3,434.35	1,481.82	41,829.19
Investments	8.95	24.62	68.98	12,113.55	323.03	1,326.79	374.97	2,090.86	16,331.75
Other financial assets	9.38	-	167.18	38.85	0.72	1.41	8.08	294.05	519.67
Financial liabilities	-	-	-	-	-	-	-	-	-
Trade Payables	0.35	-	72.63	122.26	-	-	-	-	195.24
Debt Securities	99.34	341.77	1,584.51	1,482.22	3,111.37	6,231.68	15,900.46	-	28,751.35
Borrowings (other than Debt Securities)	68.87	164.22	207.04	439.49	790.57	1,602.71	-	-	3,272.90
Other financial liabilities	22.40	159.29	40.06	3.73	-	-	-	107.63	333.11

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31-Mar-19	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	429.58	-	-	-	-	-	-	-	429.58
Bank balance other than Cash and cash equivalents	3.07	-	-	-	11.63	-	-	-	14.70
Receivables	-	8.21	-	-	-	-	-	-	8.21
Loans	1,759.11	1,499.86	1,453.45	3,636.68	5,189.84	9,517.77	3,690.23	19.52	26,766.46
Investments	121.63	39.15	167.32	5,134.05	451.50	1,752.49	1,033.18	2,287.95	10,987.27
Other financial assets	488.37	20.52	18.30	42.14	51.50	39.64	0.10	10.56	671.13
Financial liabilities	-	-	-	-	-	-	-	-	-
Trade Payables	94.73	-	-	-	-	-	-	-	94.73
Debt Securities	-	-	345.14	367.26	2,977.24	2,714.77	-	-	6,404.41
Borrowings (other than Debt Securities)	371.78	137.36	335.41	511.60	968.25	2,514.42	340.56	-	5,179.38
Other financial liabilities	26.63	17.32	91.98	35.57	46.37	33.46	0.08	-	251.41

(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. DFPL'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 DFPL'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:

31-Mar-20	Financial services	Government	Real Estate	MSME	Services & Manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	1,190.89	-	-	-	-	-	-	1,190.89
Bank balance other than Cash and cash equivalents	15.20	-	-	-	-	-	-	15.20
Term Loans- Corporate(contractual amount of loans)	-	-	7,969.08	28.60	3,172.00	682.56	-	11,852.24
Consumer Loans(contractual amount of loans)		-	-	-	-	21,501.27	-	21,501.27
Receivables	1.75	-	-	-	-	33.65	-	35.40
Investments	-	-	1,212.41	-	541.09	-	-	1,753.50
Other financial assets	-	-	-	-	-	498.63	21.04	519.67
Total	**1,207.84**	-	**9,181.49**	**28.60**	**3,713.09**	**22,716.11**	**21.04**	**36,868.17**

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31-Mar-19	Financial services	Government	Real Estate	MSME	Services & Manufacturing	Retail	Others	Total
Financial asset								
Cash and cash equivalents	429.58	-	-	-	-	-	-	429.58
Bank balance other than Cash and cash equivalents	14.70	-	-	-	-	-	-	14.70
Term Loans- Corporate(contractual amount of loans)	219.20	-	8,650.66	113.35	2,256.14	11.65	-	11,251.00
Consumer Loans(contractual amount of loans)	-	-	-	-	-	9,950.48	-	9,950.48
Receivables	-	-	-	-	8.21	-	-	8.21
Investments	4,806.67	-	2,009.34	-	2,825.45	-	-	9,641.46
Other financial assets	-	-	-	-	-	660.57	10.56	671.13
Total	5,470.15	-	10,660.00	113.35	5,089.80	10,622.70	10.56	31,966.56

(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, 2020	As at March 31, 2019	Primary risk sensitivity
ASSETS			
Financial assets			
Investments(Other than Credit Substitutes)	13,432.03	7,112.11	Equity Price
Credit Substitutes	1,753.50	873.81	Interest Rate
LIABILITIES			
Financial liabilities			
Debt Securities	22,797.57	5,782.28	Interest Rate
Borrowings (other than Debt Securities)	3,091.28	4,471.72	Interest Rate

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(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 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		Basis Points
Borrowings	**2020**	**2019**	
Decrease in basis points	19.55	18.10	-50
Increase in basis points	(19.55)	(18.10)	+50

Particulars	Effect on Net Profit		Basis Points
Debt Securities	**2020**	**2019**	
Decrease in basis points	15.12	9.10	-50
Increase in basis points	(15.12)	(9.10)	+50

(ii) Equity Price Risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the company's FVOCI equities at 31 March 2020 would have increased equity by Rs 168.29 millions (FY 2018-19 Rs 84.50 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 2020 would have increased profits by Rs 1350.26 millions (FY 2018-19 Rs 520.18 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

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38 The outbreak of COVID–19 virus continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and local India's economic activities. The Company is mainly engaged in providing unsecured personal loans to individuals and project finance for real estate development. All of these segments will be significantly impacted by reduced income and/or job losses of the borrowers, reduced economic activities and delay in completion and sale of real estate projects due to the disruption caused by the pandemic. All these will lead to major cash flow constraints and erosion in the asset values.

To deal with this disruption and in accordance with RBI guidelines relating to CoVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the RBI, the Company has granted moratorium of three months on the payment of all instalments falling due between 1 March 2020 to 31 May 2020 to all eligible borrowers who have requested for the moratorium. The RBI via press release dated May 22, 2020 has permitted lending institutions to extend the moratorium by another three months, i.e., from June 1, 2020 to August 31, 2020. The Company will be providing option for extending the moratorium to its eligible borrowers' basis its approved board policy.

There were fewer loan disbursements during the lockdown period and the timeline for the resumption and normalization of the Company's lending activity will be affected by several factors including, but not limited to, including the pace of easing of the lockdown restrictions.

An inherent part of the Company's business model is to raise borrowing for onward lending to its customers. The total borrowing of the Company as at 31 March 2020 are Rs.25648.45 Millions.

The Company has not sought moratorium in respect of its borrowing in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020. The management has performed a detailed assessment of its monthly cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations even though its monthly collections remain below normal due to continuation of lockdown.

In addition, the Company has also considered the following key matters in determining its liquidity position for the next 12 months:

a. Stimulus packages of the Government of India, for small businesses, migrants, small farmers and poor who essentially comprise the customer base of the Company;
b. Schemes announced by the Government of India, which will directly benefit Non-Banking Financial Companies through guarantees from the Government of India. The Company has evaluated these schemes and is considering applications to seek fund under the schemes;
c. Current status / outcomes of discussions with the Company's lenders, seeking moratorium on the Company's debt service obligations to such lenders;
d.Status of its requests for additional funding, from existing lenders as well as others

The Company has recorded an expected credit loss provision of Rs.1570.73 Millions at 31 March 2020 in respect of its loans and advance. In accordance with the guidance from ICAI, extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press conference, by itself is not considered to result in a SICR for a borrower. Given the unique nature and scale of the economic impact of this pandemic, the credit performance and repayment behaviour of the customers need to be monitored closely. The expected credit loss estimate is based on various highly uncertain and unobservable factors. In the event the impact of pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets, results of operation and the financial position of the Company.

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39 Maturity analysis of Assets and Liabilities:

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,190.89	-	**1,190.89**	429.58	-	**429.58**
Bank balance other than Cash and cash equivalents	15.20	-	**15.20**	14.70	-	**14.70**
Derivative financial instruments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
(I) Trade Receivables	35.40	-	**35.40**	8.21	-	**8.21**
(II) Other Receivables	-	-	-	-	-	-
Loans	18,347.05	15,006.46	**33,353.51**	10,724.07	10,477.41	**21,201.48**
Investments	12,285.67	3,008.41	**15,294.08**	5,189.30	4,452.16	**9,641.46**
Other financial assets	216.13	303.54	**519.67**	660.57	10.56	**671.13**
	-	-				
Non- financal assets	-	-				
Current tax assets (net)	154.51	-	**154.51**	109.81	-	**109.81**
Deferred tax assets (net)	-	319.78	**319.78**	-	45.43	**45.43**
Property, plant and equipment	34.26	353.27	**387.53**	-	70.14	**70.14**
Intangible assets	-	7.55	**7.55**	-	5.96	**5.96**
Other non- financial assets	332.46	-	**332.46**	123.21	-	**123.21**
	-	-				
Assets held for sale	-	189.85	**189.85**	-	533.70	**533.70**
	32,611.57	19,188.86	51,800.43	17,259.45	15,595.36	32,854.81
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	195.24	-	**195.24**	94.73	-	**94.73**
Debt Securities	4,744.57	18,053.00	**22,797.57**	3,289.92	2,492.36	**5,782.28**
Borrowings (other than Debt Securities)	1,473.46	1,617.82	**3,091.28**	1,945.60	2,526.12	**4,471.72**
Other financial liabilities	225.48	107.63	**333.11**	217.86	33.55	**251.41**
	-	-				
Non financial liabilities	-	-				
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax liabilities (net)	-	-	-	-	-	-
Other Non-financial liabitilies	622.98	-	**622.98**	252.89	-	**252.89**
	-	-				
Equity	-	-				
Equity share capital	-	5,592.94	**5,592.94**	-	5,487.41	**5,487.41**
Other equity	-	19,167.31	**19,167.31**	-	16,514.37	**16,514.37**
	7,261.73	44,538.70	51,800.43	5,801.00	27,053.81	32,854.81

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40.1 Valuation principles

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

40.2 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.

40.3 Assets and liabilities by fair value hierarchy

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

	31 March 2020				31 March 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment measured at FVTPL								
Mutual Funds - Corporate	-	11,966.50	-	11,966.50	-	4,806.67	-	4,806.67
Equity Shares - Mcnally Bharat Engg Co. Ltd.	7.20	-	-	7.20	198.40		-	198.40
Security Receipts of Alchemist XV Trust	-	195.00	-	195.00	-	196.75		196.75
Equity Instruments								
DMI Capital Private Limited - CCPS	-	-	303.30	303.30	-	-	293.12	293.12
Total financial investment measured at FVTPL	**7.20**	**12,161.50**	**303.30**	**12,472.00**	**198.40**	**5,003.42**	**293.12**	**5,494.94**
Financial investments measured at FVOCI								
Credit Substitutes (NCD Quoted)	-	-	419.58	**419.58**	-	-	895.85	895.85
Compulsory Convertible Debentures(CCDs)	-	-	773.17	**773.17**	-	-	772.93	772.93
Loans	-	-	-					
NCD Unquoted	-	-	120.76	**120.76**	-	-	917.41	917.41
Equity Instruments	-	-	-					
DMI Consumer Credit Pvt Ltd (Investment)	-	-	3.16	**3.16**	-	-	3.00	3.00
DMI Housing Finance Pvt Ltd	-	-	-	-	-	-	264.87	264.87
Alchemist Asset Reconstruction Co.Ltd.	-	-	226.20	**226.20**	-	-	316.68	316.68
AIF II (Investment)	-	10.80	-	**10.80**	-	10.48	-	10.48
Flash Electronics (Shares Investment)	-	-	250.00	**250.00**	-	-	250.00	250.00
Total financial investments measured at FVOCI	-	**10.80**	**1,792.87**	**1,803.67**	-	**10.48**	**3,420.74**	**3,431.22**
Total assets measured at fair value on a recurring basis	**7.20**	**12,172.30**	**2,096.17**	**14,275.67**	**198.40**	**5,013.90**	**3,713.86**	**8,926.16**
Total financial assets measured at fair value	**7.20**	**12,172.30**	**2,096.17**	**14,275.67**	**198.40**	**5,013.90**	**3,713.86**	**8,926.16**

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40.4 Valuation techniques

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

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

Equity instruments measured at FVOCI

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

Debt Securities & 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 & Security)

40.5 There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2020 and March 31, 2019

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40.6 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. The Company requires significant unobservable inputs to calculate their fair value.

31-Mar-20	At 1 April 2019	Purchase	Change in Classification#	Sales/Settlements	Transfers into Level 3	Transfer from Level 3	Total Gains/Loss for the period recognized in the Statement of Proft and Loss	Other comprehensive income	At 31 March 2020	Unrealised gains and losses related to balances held at the end of the period
DMI Capital Private Limited - CCPS	293.12	-	-	-	-	-	10.18	-	303.30	10.18
DMI Consumer Credit Private Limited	3.00	-	-	-	-	-	-	0.16	3.16	0.16
Alchemist Asset Reconstruction Co.Ltd.	316.68	-	-	-	-	-	-	(90.48)	226.20	(90.48)
Credit Subsitutes*	895.85	-	(179.02)	(351.95)	-	-	60.31	(5.61)	419.58	3.13
NCD Unquoted*	917.41	41.21	(836.96)	(7.37)	-	-	6.47	-	120.76	0.64
Compulsorily Convertible Debentures*	772.93	-	-	(94.89)	-	-	95.13	-	773.17	0.24
DMI Housing Finance Private Limited - Equity Shares	264.87	-	-	(265.11)	-	-	-	0.24	-	-
Flash Electronics (Shares Investment)	250.00	-	-	-	-	-	-	-	250.00	-
	3,713.86	41.21	(1,015.98)	(719.32)	-	-	172.09	(95.69)	2,096.17	(76.13)

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

\# During the year, Rs. 1015.97 Millions of Financial Assets were reclassified as Instruments valued at Amortised Cost from FVOCI.

31-Mar-19	At 1 April 2018	Purchase	Change in Classification	Sales/Settlements	Transfers into Level 3	Transfer from Level 3	Total Gains/Loss for the period recognized in the Statement of Proft and Loss	Other comprehensive income	At 31 March 2019	Unrealised gains and losses related to balances held at the end of the period
DMI Housing Finance Private Limited - CCPS	944.50	-	-	(944.50)	-	-	-	-	-	-
DMI Capital Private Limited - CCPS	205.14	-	-	-	-	-	87.98	-	293.12	87.98
DMI Consumer Credit Private Limited	2.77	-	-	-	-	-	-	0.23	3.00	0.23
Alchemist Asset Reconstruction Co.Ltd.	323.99	-	-	-	-	-	-	(7.31)	316.68	(7.31)
Credit Subsitutes*	1,073.30	455.59	-	(678.02)	-	-	89.22	(44.24)	895.85	-
NCD Unquoted*	429.62	401.43	-	(29.62)	-	-	93.63	22.35	917.41	-
Compulsorily Convertible Debentures*	-	750.00	-	-	-	-	22.93	-	772.93	-
DMI Housing Finance Private Limited - Equity Shares	-	259.95	-	-	-	-	-	4.92	264.87	4.92
Flash Electronics (Shares Investment)	-	250.00	-	-	-	-	-	-	250.00	-
	2,979.32	2,116.97	-	(1,652.14)	-	-	293.76	(24.05)	3,713.86	87.98

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

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

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

Mar'20	Fair Value of Level 3 Assets	Valuation technique	Significant unobservable inputs
DMI Capital Private Limited - CCPS	310.68	Discounted Projected Cash Flows	Discount Margin/Spread
DMI Consumer Credit Private Limited	3.16	Net Worth of Investee Company	Instrument Price
Alchemist Asset Reconstruction Co.Ltd.	226.20	Discounted Projected Cash Flows	Discount Margin/Spread
Credit Subsitutes	419.58	Discounted Projected Cash Flows	Discount Margin/Spread
DMI Housing Finance Private Limited - Equity Shares	-	Net Worth of Investee Company	Instrument Price
Flash Electronics (Shares Investment)	250.19	Discounted Projected Cash Flows	Instrument Price
Compulsory Convertible Debentures	773.17	Discounted Projected Cash Flows	Discount Margin/Spread
NCD Unquoted	120.76	Discounted Projected Cash Flows	Discount Margin/Spread

Mar'19	Fair Value of Level 3 Assets	Valuation technique	Significant unobservable inputs
DMI Capital Private Limited - CCPS	293.12	Net Worth of Investee Company	Instrument Price
DMI Consumer Credit Private Limited	3.00	Net Worth of Investee Company	Instrument Price
Alchemist Asset Reconstruction Co.Ltd.	316.68	Discounted Projected Cash Flows/Price-Earning Multiple Method	Instrument Price
Credit Subsitutes	895.85	Discounted Projected Cash Flows	Discount Margin/Spread
DMI Housing Finance Private Limited - Equity Shares	264.87	Net Worth of Investee Company	Instrument Price
Flash Electronics (Shares Investment)	250.00	Net Worth of Investee Company	Instrument Price
Compulsory Convertible Debentures	772.93	Discounted Projected Cash Flows	Discount Margin/Spread
NCD Unquoted	917.41	Discounted Projected Cash Flows	Discount Margin/Spread

40.8 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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40.9 Sensitivity of fair value measurements to changes in unobservable market data

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

Particulars	31-Mar-20 Favourable changes	31-Mar-20 Unfavourable changes	31-Mar-19 Favourable changes	31-Mar-19 Unfavourable changes
	INR million	INR million	INR million	INR million
Instruments measured through FVTPL				
DMI Capital Private Limited - CCPS	30.33	(30.33)	29.31	(29.31)
Total (A)	**30.33**	**(30.33)**	**29.31**	**(29.31)**
Instruments measured through FVTOCI				
DMI Consumer Credit Private Limited	0.32	(0.32)	0.30	(0.30)
Alchemist Asset Reconstruction Co.Ltd.	22.62	(22.62)	31.67	(31.67)
Credit Subsitutes	41.96	(41.96)	89.58	(89.58)
NCD Unquoted	12.08	(12.08)	91.74	(91.74)
DMI Housing Finance Private Limited - Equity Shares	-	-	26.49	(26.49)
Flash Electronics (Shares Investment)	25.00	(25.00)	25.00	(25.00)
Compulsory Convertible Debentures	77.32	(77.32)	77.32	(77.32)
Total (B)	**179.30**	**(179.30)**	**342.11**	**(342.11)**
Total (A+B)	**209.63**	**(209.63)**	**371.42**	**(371.42)**

40.10 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the 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.

	31-Mar-20		31-Mar-19	
Financial Assets:	Fair Value	Carrying Value	Fair Value	Carrying Value
Loans and advances				
Corporate Loans	11,630.70	11,735.33	10,595.72	10,335.80
Investments – at amortised cost				
NCD (Quoted)	1,259.61	1,227.52	1,446.78	1,651.05
Financial Liabilities:				
Debt securities				
Non convertible debentures	21,676.24	21,303.00	3,570.94	3,300.00

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the 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 Quoted non convertible debenture & corporate loans. The fair values of such instruments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. These instrument are classified in Level 3.

Assets and Liabilities other than above

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

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41 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
(RBI Disclosure made as at 31 March 2020 has been computed in line with RBI notification dated 13 March 2020 w.r.t. implementation of Indian Accounting standards, and hence, are not comparable with the previous years disclosure)

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;
DMI Finance Pvt. Ltd. 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

Name of Rating Agency	Amount Rated (Cr)	Rating	Type of Facility	At the beginning of the year	Change during the year	Remarks
Brickwork Ratings	900	BWR AA-	Long Term Fund Based Bank Limits	BWR AA-	No Change	Rating re-affirmed on November 4th, 2019
Brickwork Ratings	130	BWR AA-	Long Term NCDs	BWR AA-	No Change	During the year the amount of rating was changed from 350 Cr to 130 Cr
CARE Ratings	900	CARE AA-	Long Term Fund Based Bank Limits	CARE AA-	No Change	Rating re-affirmed on August 1st, 2019
CARE Ratings	785	CARE AA-	Long Term NCDs	CARE AA-	No Change	During the year the amount of rating was changed from 500 Cr to 785 Cr
ICRA Ratings	300	ICRA A1+	Short Term Commercial Paper	ICRA A1+	No Change	Rating re-affirmed on March 26th, 2019

Note 1:The rating is subjected to annual surveillance till final repayment/redemption of rated facilities

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 and
The company has its main operations in India situated in Delhi/NCR and also has offices situated in Mumbai and Hyderabad. The company has not entered into any joint ventures and does not have any overseas subsidiaries.

I) Capital to risk assets ratio (CRAR)*

Particulars	March 31, 2020	March 31, 2019
i) CRAR (%)	44.00%	65.85%
ii) CRAR- Tier I capital (%)	43.31%	65.07%
iii) CRAR- Tier II capital (%)	0.69%	0.78%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

* Refer to note 33 in financial statements for basis of reporting CRAR

II) Investments

Particulars	March 31, 2020	March 31, 2019
1) Value of Investments		
i) Gross Value of Investments (at cost)*		
a) In India	1,549.50	933.22
b) Outside India	-	-
ii) Provisions for Depreciation**		
a) In India	20.10	8.07
b) Outside India	-	-
ii) Net Value of Investments		
a) In India	1,529.40	925.15
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening Balance	8.07	13.02
ii) Add: Provisions made during the year	12.03	-
iii) Less : Write-off / write-back of excess provisions during the year	-	4.95
iv) Closing Balance	20.10	8.07

*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

Particulars	March 31, 2020	March 31, 2019
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps $	-	-
v) The fair value of the swap book @	-	-

Note :Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date

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IV) Exchange Traded Interest Rate (IR) Derivatives

Particulars	March 31, 2020	March 31, 2019
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2020 (instrument-wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

V) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The company does not deal in derivatives therefore no details are to be disclosed

Quantitative Disclosures

Sl. No. Particular	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)		
For hedging	-	-
(ii) Marked to Market Positions [1]		
(a) Asset(+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

VI) Disclosures relating to Securitization

S. No. Particulars	March 31, 2020 Rs.	March 31, 2019 Rs.
1 No of SPVs sponsored by the NBFC for securitization transactions*	-	-
2 Total amount of securitized assets as per books of the SPVs sponsored	-	-
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	-	-
Others	-	-
4 Amount of exposures to securitization transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitizations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitizations		
First loss	-	-
Others	-	-

**this includes credit substitutes and PTCs subcribed/purchased through a securitization transaction*

Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

Particulars	March 31, 2020	March 31, 2019
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

Details of Assignment transactions undertaken by NBFCs

Particulars	March 31, 2020	March 31, 2019
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

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VII) Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased :

Particulars	March 31, 2020	March 31, 2019
1 (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold :

Particulars	March 31, 2020	March 31, 2019
1 No. of accounts sold	-	-
2 Aggregate outstanding	-	-
3 Aggregate consideration received	-	-

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

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Investments	-	-	-	1,196.65	-	-	-	100.19	1,296.84
Borrowings #	5.11	14.00	168.45	137.77	294.63	459.57	1,485.30	-	2,564.83
Advances *	217.91	180.83	252.43	547.84	672.51	1,168.07	310.04	183.33	3,532.96
Other financial assets	0.94	-	16.72	3.88	0.07	0.14	0.81	29.41	51.97

Net of lease liability recognized under Ind AS 116 in respect of leases (other than short-term leases).

* Net of provision for expected credit loss on Stage III loans. Further,Advances include Non-Convertible Debentures(NCD) and Compulsarily Convertible Debentures(CCD) classified as investments in the financials.

The above maturity pattern except investment is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized. The fair value of investment has been considered in more than 5 years bucket.

Maturity pattern of assets and liabilities as on March 31, 2019:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Investments	-	-	-	480.67	-	-	-	118.90	599.57
Borrowings	34.54	10.03	55.02	66.30	360.47	472.80	32.13	-	1,031.29
Advances *	140.32	118.69	109.73	286.06	397.27	651.60	238.91	1.06	1,943.64
Other financial assets	48.84	2.05	1.83	4.21	5.15	3.96	0.01	1.06	67.11

* Net of provision for expected credit loss on Stage III loans.

The above maturity pattern is based on the undiscounted contractual cash flows under the respective arrangements basis which such assets and liabilities have been recognized

IX Instances of fraud for the Year ended March 31, 2020

Nature of fraud	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-
Loan given against fictitious documents	1	1.12	-	1.12
Fraud by external party	-	-	-	-

Instances of fraud for the Year ended March 31, 2019

Nature of fraud	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-
Loan given against fictitious documents	1	1.12	-	-
Fraud by external party	-	-	-	-

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X) Exposures
Exposure to Real Estate Sector

Category	March 31, 2020	March 31, 2019
a) Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	60.97	2.10
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	955.96	1,115.49
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
Residential	-	-
Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	**1,016.93**	**1,117.59**

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

Exposure to Capital Market

Category	March 31, 2020	March 31, 2019
(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;	177.50	152.75
(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;	352.63	380.78
(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)	-	1.05
Total Exposure to Capital Market	**530.13**	**534.58**

XI) Details of financing of parent company products
The company has not financed any Parent company product during the current year and previous year

Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	March 31, 2020	March 31, 2019
The company has not exceeded any single or group borrower limits as per prescribed RBI guidelines therefore no details are being provided	-	-

XII) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2020	March 31, 2019
Provisions for depreciation on Investment	12.02	(4.95)
Provision made towards Income tax	54.81	31.53
Provision for gratuity	0.88	0.37
Provision for compensated absences	1.02	0.55
Impairment of Financial Assets (net of write off)	141.29	58.25

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XIII) Draw Down from Reserves

	March 31, 2020	March 31, 2019
The company has not draw downed any amount from the Reserves during the current year and previous year	-	-

XIV) Concentration of Deposits, Advances, Exposures and NPAs

	March 31, 2020	March 31, 2019
Concentration of Deposits	-	-
Concentration of Advances	-	-
Total Advances to twenty largest borrowers	1,195.21	1,097.60
Percentage of Advances to twenty largest borrowers to Total Advances	32.09%	42.51%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	1,195.21	1,097.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	32.09%	42.51%
Concentration of NPAs**		
Total Exposure to top four NPA accounts	116.34	55.94

***Represent Stage III loans including interest*

Sector-wise NPAs**	March 31, 2020 Percentage of NPAs to Total Advances in that sector	March 31, 2019 Percentage of NPAs to Total Advances in that sector
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers '	9.85%	3.66%
4 Services	-	-
5 Unsecured personal loans	1.31%	1.60%
6 Auto loans	-	-
7 Other personal loans(Loan against Property)	0.17%	100.00%

***Represent Stage III loans including interest*

XV) Movement of NPAs

	March 31, 2020	March 31, 2019
Net NPAs to Net Advances (%)	2.07%	1.27%
Movement of NPAs (Gross)		
Opening balance	72.57	29.94
Additions during the year	151.21	43.68
Reductions during the year	52.67	1.05
Closing balance	**171.11**	**72.57**
Movement of Net NPAs		
Opening balance	31.42	18.02
Additions during the year	27.67	13.40
Reductions during the year	(10.02)	-
Closing balance	**69.11**	**31.42**
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	41.15	11.92
Provisions made during the year	123.54	30.28
Write-off / write-back of excess provisions	62.69	1.05
Closing balance	**102.00**	**41.15**

XVI) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

	March 31, 2020	March 31, 2019
The company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported	-	-

XVII) Off- Balance sheet SPVs sponsored

	March 31, 2020	March 31, 2019
The company does not have any Off- Balance sheet SPV, therefore no details to be reported	-	-

XVIII) Customer Complaints

	March 31, 2020	March 31, 2019
No. of complaints pending at the beginning of the year	394	-
No. of complaints received during the year	23,430	3,634
No. of complaints redressed during the year	23,315	3,240
No. of complaints pending at the end of the year	509	394

XIX) Disclosure of Gold Loan Portfolio

	March 31, 2020	March 31, 2019
Total Gold Loan Portfolio	-	-
Total Assets	-	-
Gold loan portfolio as % of Total Assets	-	-

XX) Disclosure of Gold Auction

	March 31, 2020	March 31, 2019
Number of loan accounts	-	-
Outstanding Amount	-	-
Value fetched on auctions	-	-

XXI) Unsecured Advances

	March 31, 2020	March 31, 2019
	2,214.13	1,010.12

S. R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS

DMI FINANCE PVT. LTD. New Delhi

DMI Finance Private Limited
Notes to Standalone Financial Statements for the year ended 31 March 2020

42 Prudential Floor for Impairment Loss

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	3,312.69	38.18	3,274.51	13.25	24.93
	Stage 2	241.20	16.89	224.31	6.60	10.29
Subtotal		3,553.89	55.07	3,498.82	19.85	35.22
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	117.01	80.95	36.06	23.40	57.55
1 to 3 years	Stage 3	54.11	21.06	33.05	16.23	4.83
More than 3 years	Stage 3					
Subtotal for doubtful		171.12	102.01	69.11	39.63	62.38
Loss	Stage 3					
Subtotal for NPA		171.12	102.01	69.11	39.63	62.38
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**	3,312.69	38.18	3,274.51	13.25	24.93
	Stage 2	241.20	16.89	224.31	6.60	10.29
	Stage 3	171.12	102.01	69.11	39.63	62.38
	Total	3,725.01	157.08	3,567.93	59.48	97.60

43 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

Amount in Rs. Crores

Asset Classification		Total Exposure	ECL provision
SMA (SMA - 0)		545.63	8.30
Overdue - Standard		163.12	7.56
Overdue - Others		-	-
Total		708.75	15.86

Note: Numbers represents contractual cashflows

(b) Asset classification benefit extension

Asset classification benefit has been extended to 7,210 accounts having total outstanding of Rs. 122.44 Crore as at 31 March 2020.

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

per Chirag Jain
Partner
Membership No. 115385

Place: MUMBAI
Date: 03/JULY/2020

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

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460
NEW YORK, USA

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

Jatinder Bhasin
(Chief Financial Officer)

Sahib Pahwa
(Company Secretary)
M. No. A24789

Place:
Date:

S. R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS *