

INDEPENDENT AUDITOR'S REPORT**To the Members of DMI Finance Private Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of DMI Finance Private Limited, ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by 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, 2018, its profit, and its cash flows for the year ended on that date.



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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
 - (g) 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
ICAI Firm's Registration Number: 101049W/E300004
Chartered Accountants

Sarvesh Warty.



per Sarvesh Warty
Partner
Membership Number: 121411
Mumbai
June 14, 2018

Annexure 1 as 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 a regular programme of verification which, 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 fixed assets of the Company and accordingly the requirements under clause 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) (a) The Company has granted loan to one Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan and interest thereon during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (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 products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of custom, duty of excise and value added tax, are not applicable to the Company.

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, 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

DMI Finance Private Limited
Independent Auditors' Report for the year ended March 31, 2018

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- (b) According to the records of the Company, there are no dues of sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute except for income tax which is as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	31,56,040	AY 2013-14	CIT Appeal	<p>The Company has obtained a stay against the demand from Principal Commissioner of Income Tax till the disposal of appeal. The demand amount contains</p> <p>a. additional tax of Rs. 16,50,203 on addition made by Assessing Officer of Rs. 55,51,998 on account of capital appreciation of debt liquid fund units held by the Company at the end of the financial year 2012-13 as unexplained deduction of expense</p> <p>b. Reduction in TDS claimed by Rs. 5,11,455</p> <p>c. Interest u/s 234B payable on account of above tax amounts by Rs. 9,94,382</p>

- (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 borrowings to a financial institution, bank or government 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, hence not commented upon.

Further, monies raised by the Company by way of term loans and debentures 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 assets 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 material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) is not applicable and hence not commented upon.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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- (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 non-convertible debentures 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 them 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
ICAI Firm's Registration Number: 101049W/E300004
Chartered Accountants

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership Number: 121411
Mumbai
June 14, 2018



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

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

To the Members of DMI Finance Private Limited

We have audited the internal financial controls over financial reporting of DMI Finance Private Limited ("the Company") as of March 31, 2018 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Act, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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
ICAI Firm's Registration Number: 101049W/E300004
Chartered Accountants

Sarvesh Warty.



per Sarvesh Warty
Partner
Membership Number: 121411
Mumbai
June 14, 2018

DMI Finance Private Limited
Balance Sheet as at March 31, 2018

	Notes	March 31, 2018 Rs.	March 31, 2017 Rs.
Equity and liabilities			
Shareholders' funds			
Share capital	3	3,522,013,330	3,522,013,330
Reserves and surplus	4	5,171,517,039	4,511,715,531
		<u>8,693,530,369</u>	<u>8,033,728,861</u>
Non-current liabilities			
Long-term borrowings	5	7,952,489,633	4,962,165,988
Long-term provisions	6	71,484,613	50,324,982
		<u>8,023,974,246</u>	<u>5,012,490,969</u>
Current liabilities			
Short-term borrowings	7	376,508,754	2,932,090
Trade payables	8	60,487,854	19,564,856
Other current liabilities	8	1,919,825,858	2,541,386,704
Short-term provisions	8	20,583,919	13,276,978
		<u>2,377,406,385</u>	<u>2,577,160,629</u>
Total		<u><u>19,094,911,000</u></u>	<u><u>15,623,380,459</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	61,771,456	40,694,180
Intangible assets		1,693,134	1,037,371
Non-current investments			
Credit substitute	10	2,235,982,885	3,647,432,672
Other investments		1,750,253,790	1,137,766,290
Deferred tax asset (net)	11	55,275,811	24,226,619
Long-term loans and advances	12	8,669,156,063	6,257,967,105
Other non-current assets	13	1,498,209,237	432,792,240
		<u>14,272,342,377</u>	<u>11,541,916,477</u>
Current assets			
Current investments			
Credit substitute	14	786,382,690	514,932,169
Other investments		1,372,337	401,397,656
Trade receivables	15	74,569,673	32,348,495
Cash and bank balances	16	441,777,015	143,312,396
Short term loans and advances	12	3,260,368,697	2,859,797,967
Other current assets	13	258,098,212	129,675,300
		<u>4,822,568,623</u>	<u>4,081,463,982</u>
Total		<u><u>19,094,911,000</u></u>	<u><u>15,623,380,459</u></u>

Summary of significant accounting policies 2
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 number : 101049W/ E300004
Chartered accountants

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership number: 121411

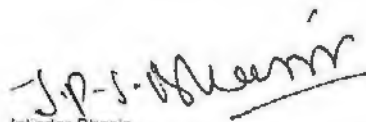


Date: June 14, 2018
Place: Mumbai

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


Nipender Kochhar
(Director)
DIN: 02201954


Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460


Jatinder Bhasin
(Chief Financial Officer)


Sahib Pahwa
(Company Secretary & Compliance Officer)
Membership number: A24789



Date: June 14, 2018
Place: New Delhi

DMI Finance Private Limited

Statement of Profit and Loss for the year ended March 31, 2018

	Notes	March 31, 2018 Rs.	March 31, 2017 Rs.
Income			
Revenue from operations	17	2,400,406,877	2,174,460,677
Other income	18	82,372,644	53,237,311
Total revenue (I)		2,482,779,521	2,227,697,988
Expenses			
Employee benefits expense	19	219,940,903	172,726,446
Finance costs	20	980,484,592	918,671,822
Depreciation and amortization expense	21	11,687,682	7,885,373
Other expenses	22	235,990,856	172,005,284
Total expenses (II)		1,448,083,933	1,271,288,904
Profit before tax III= (II-I)		1,014,695,588	956,409,084
Tax expenses			
Current tax		386,087,982	327,241,318
Deferred tax		(31,049,192)	6,166,397
Total tax expense (IV)		355,038,790	333,407,715
Profit for the year V= (IV-III)		659,656,798	623,001,369
Earnings per equity share [nominal value of share Rs. 10 (Previous year: Rs. 10)]	23		
Basic			
Computed on the basis of total profit for the year		2.03	2.13
Diluted			
Computed on the basis of total profit for the year		1.87	1.95
Summary of significant accounting policies	2		
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 number : 101049W/ E300004
Chartered accountants

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

Sarvesh Warty,

per Sarvesh Warty
Partner
Membership number: 121411

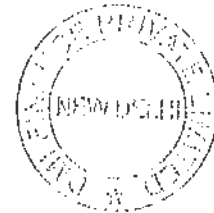
Nipendra Kulkarni
(Director)
DIN: 02201954

Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460



J.P.S. Sharma

Jatinder Bhasin
(Chief Financial Officer)



Date: June 14, 2018
Place: Mumbai

Sahil Parwa
(Company Secretary & Compliance Officer)
Membership number: A24789

Date: June 14, 2018
Place: New Delhi

DMI Finance Private Limited
Cash Flow Statement for the year ended March 31, 2018

	March 31, 2018 Rs.	March 31, 2017 Rs.
A. Cash flow from operating activities		
Profit before tax	1,014,695,588	956,409,084
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	11,687,582	7,865,373
Interest expense	980,031,503	917,791,691
Interest on bank deposits	(758,651)	(709,395)
Net gain on sale of current investments	(52,639,502)	(19,253,621)
Provision on business loans	20,959,233	7,334,707
Amortization of cost	15,493,135	1,788,833
Loan assets written-off	1,256,063	52,250,344
Excess provision written back	-	(30,404,399)
Profit on sale of investment in equity shares	-	(3,546,562)
Employee stock option expense	144,710	-
Loss on sale of property, plant and equipment	75,838	3,152,929
Operating profit before working capital changes	1,990,945,498	1,692,698,984
Movements in working capital:		
Increase in trade payables	40,922,898	2,301,719
Increase/(decrease) in long term provisions	5,481,326	(2,348,466)
Increase in short term provisions	405,676	4,589,064
Increase/(decrease) in other current liabilities	33,596,861	(37,943,595)
(Decrease) in other long-term liabilities	-	(206,275)
(Increase)/decrease in long-term loans and advances	(2,413,352,594)	1,123,112,984
(Increase) in short-term loans and advances	(409,570,730)	(656,837,856)
(Increase) in trade receivables	(42,221,170)	(32,348,495)
(Increase) / decrease in other current assets	(128,345,341)	5,995,025
(Increase) in other non current assets	(1,065,416,997)	(460,142)
Cash generated from / (used in) operations	(1,978,554,480)	2,298,532,948
Direct taxes paid (net of refund)	(382,658,877)	(351,287,515)
Net cash from / (used in) operating activities (A)	(2,361,213,357)	1,947,245,433
B. Cash flows from investing activities		
Purchase of fixed assets	(35,041,030)	(435,138,484)
Sale of fixed assets	643,375	-
Purchase of non current investments	(612,487,500)	(1,011,264,323)
Sale of non current investments	1,395,956,652	(703,901,554)
Purchase of current investments	(271,450,521)	-
Sale of current investments	452,664,821	19,253,621
Interest received on bank deposits	881,080	726,590
Net cash from / (used in) investing activities (B)	930,968,877	(2,130,324,150)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	1,380,642,853
Proceeds from long term borrowings	2,290,303,049	408,899,499
Repayment of short term borrowings	373,576,663	(633,405,198)
Interest paid	(935,168,612)	(897,989,032)
Net cash from / (used in) financing activities (C)	1,728,711,100	258,148,122
Net increase / (decrease) in cash and cash equivalents (A+B+C)	298,484,619	75,069,405
Cash and cash equivalents at the beginning of the year	143,312,396	68,242,991
Cash and cash equivalents at the end of the year	441,777,015	143,312,396

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V.B.

J.P.



Components of cash and cash equivalents

Cash on hand	63,170	4,383
With banks - on current account	441,713,845	143,308,013
- on deposit account		
Total cash and cash equivalents (Note 16)	441,777,015	143,312,396

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm registration number : 101049W/ E300004
Chartered accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership number: 121411



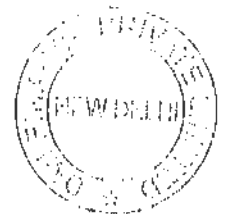
Date: June 14, 2018
Place: Mumbai

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

Nipen Chitrar
Nipen Chitrar
(Director)
DIN: 02201964

Shwastik Chatterjee
Shwastik Chatterjee
(Jt. Managing Director)
DIN: 02623460

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



Sahib Dewha
Sahib Dewha
(Company Secretary & Compliance Officer)
Membership number: A24789

Date: June 14, 2018
Place: New Delhi

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 corporates and other lending activities.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014; the Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI as applicable to a non-banking financial company. The financial statements have been prepared on an accrual basis and under the historical cost convention, except interest on loans which have been classified as non-performing assets which are accounted for on realization basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Current / non-current classification

All the assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale in, the company's normal operating cycle within 12 months from the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded to its due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of liability for at least 12 months from the reporting date. Current liabilities include current portion of non-current liability. All other liabilities are classified as non-current.



J.P.



c. Tangible fixed assets

Fixed assets 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 asset is derecognized.

d. Depreciation on tangible fixed assets

Depreciation on fixed assets, otherwise stated, is calculated on a written down value basis using the rates arrived at based on the useful lives estimated by the management. 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%
Intangible Assets	5	45.07%

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

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

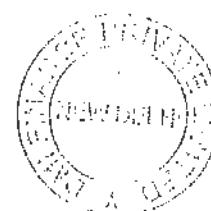
e. Intangible assets

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

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



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f. Impairment of tangible/ intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's 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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis except for investments in the units of mutual funds in the nature of current investments that have been valued at the net asset value declared by the mutual fund in respect of each particular scheme, in accordance with the NBFC directions. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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

h. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period they occur.

i. Retirement and other employee benefits

The accounting policy, wherever applicable, followed by the Company in respect of its employee benefits schemes in accordance with Accounting Standards 15 (revised 2005), is set out below:

Provident fund

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

Gratuity

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



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Compensated absences (Other long and short-term benefits)

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

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

j. Revenue reorganization

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Income including interest or discount or any other charges on non-performing asset is recognised only when realised. Any such income recognised before the asset became non-performing and remaining unrealised shall be reversed.

Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

Penal interest is recognized when demand will be raised to borrower.

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Loan processing fees collected from borrowers are recognized on an upfront basis when it is due for the payment as per the agreement.

All other income is recognized on an accrual basis.

k. 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



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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.

l. Income - taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

m. Earnings per shares

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20- "Earnings Per Share" notified under section 133 of the Companies Act 2013. Basic earnings per share is computed by dividing the net profit after tax attributable to Equity shareholders outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving the basic EPS and weighted average number of shares that could have been issued upon conversion of all potential equity shares.

n. Provisions

A provision is recognised when the Company has a present obligation as a result of past event 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 are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



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o. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p. Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

q. Classification of loan portfolio

The Company classified loans and advances in accordance with Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time

r. Provisioning for loan portfolio

The provisioning for loans and advances are based on the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time. Accordingly, the provisioning norms adopted by the Company for portfolio loans are as follows:

Asset classification	Arrear period	Provision (%)
Standard assets*	Overdue for less than 3 months	0.40%
Substandard assets	Overdue for 3 – 15 months	10%
Doubtful assets	Overdue over 15 - 27 months	20%
	Overdue over 27 - 51 months	30%
	Overdue over 51 months	50%

Further accelerated provisioning shall be adopted as per RBI directions on requirement basis.

*Standard asset provisioning norms have been revised by RBI from 0.35% to 0.40% for current year.

s. Shared based payments

In case of stock option plan, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India as applicable for equity-settled share-based payments.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period



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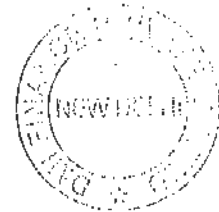


DMI Finance Private Limited
Notes to financial statements for the year ended March 31, 2018

represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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3. Share capital

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Authorized shares		
430,000,000 (Previous year: 430,000,000) equity shares of face value Rs. 10 each	4,300,000,000	4,300,000,000
35,000,000 (Previous year: 35,000,000) compulsorily convertible preference shares of face value Rs. 10 each	350,000,000	350,000,000
	4,650,000,000	4,650,000,000
Issued, subscribed and fully paid-up shares		
324,418,138 (Previous year: 324,418,138) equity shares of Rs. 10 each	3,244,181,380	3,244,181,380
15,481,134 B Series (Previous year: 15,481,134) compulsorily convertible preference shares of Rs. 10 each	154,811,340	154,811,340
6,749,135 C Series (Previous year: 6,749,135) compulsorily convertible preference shares of Rs. 10 each	67,491,350	67,491,350
247,468 D Series (Previous year: 247,468) compulsorily convertible preference shares of Rs. 10 each	2,474,680	2,474,680
224,971 E Series (Previous year: 224,971) compulsorily convertible preference shares of Rs. 10 each	2,249,710	2,249,710
899,885 F Series (Previous year: 899,885) compulsorily convertible preference shares of Rs. 10 each	8,998,850	8,998,850
4,180,602 G Series (Previous year: 4,180,602) compulsorily convertible preference shares of Rs. 10 each	41,806,020	41,806,020
	3,522,013,330	3,522,013,330

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2018		March 31, 2017	
	No. of shares	Rs.	No. of shares	Rs.
Equity shares				
At the beginning of the year	324,418,138	3,244,181,380	292,227,818	2,922,278,180
Issued during the year	-	-	32,190,320	321,903,200
Outstanding at the end of the year	324,418,138	3,244,181,380	324,418,138	3,244,181,380
	March 31, 2018		March 31, 2017	
	No. of shares	Rs.	No. of shares	Rs.
Compulsorily convertible preference shares				
At the beginning of the year				
B Series	15,481,134	154,811,340	15,481,134	154,811,340
C to F Series	8,121,459	81,214,590	8,121,459	81,214,590
G Series	4,180,602	41,806,020	4,180,602	41,806,020
Issued during the year	-	-	-	-
Outstanding at the end of the year	27,783,195	277,831,950	27,783,195	277,831,950

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

c. Terms/rights attached to Compulsorily Convertible Preference Shares

- Series B to F

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

- Series G

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

d. Shares held by holding Company

	March 31, 2018	March 31, 2017
	Rs.	Rs.
DMI Limited, the holding Company		
322,276,016 (Previous year: 322,276,016) equity shares of Rs. 10 each fully paid up	3,222,760,160.00	3,222,760,160

e. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Equity shares bought back by the Company during 2012-13	8,121,459	8,121,459



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

	March 31, 2018		March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs. 10 each fully paid up				
DMI Limited, the holding Company	3,222,760,160	99.34%	324,416,136	99.34%
Compulsorily convertible preference shares of Rs. 10 each fully paid up				
Windy Investments Private Limited (B Series)	15,481,134	55.72%	15,481,134	55.72%
Windy Investments Private Limited (G Series)	4,180,602	15.05%	4,180,602	15.05%
Anuj Malhotra (C Series)	6,749,135	24.29%	6,749,135	24.29%

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

g. Shares reserved for issue under options

For details of shares reserved for issue on conversion of compulsorily convertible preference shares, please refer note 3(c) regarding terms and conditions of conversion of preference shares.

For details of shares reserved for issue on conversion of compulsorily convertible debentures, please refer note 5 regarding terms and conditions of conversion of debentures

4. Reserves and surplus

	March 31, 2018		March 31, 2017	
	Rs.		Rs.	
I Capital redemption reserve				
Balance as per last financial statements				
Balance as per last financial statements		81,214,590		81,214,590
Closing Balance	(A)	<u>81,214,590</u>		<u>81,214,580</u>
II Securities premium account				
Balance as per last financial statements		2,170,172,321		1,111,432,668
Add: Premium on issue of equity shares		-		1,058,739,653
Add: Premium on issue of compulsorily convertible preference		-		-
Less: Amount utilized towards premium on buyback of equity shares		-		-
Less: Amount transferred to Capital Redemption Reserve on account of buyback of equity shares		-		-
Closing Balance	(B)	<u>2,170,172,321</u>		<u>2,170,172,321</u>
III Statutory reserve under section 45 (1C) of Reserve Bank of India Act, 1934				
Balance as per last financial statements		452,065,724		327,465,450
Add: Addition during the year		131,931,360		124,600,274
Closing Balance	(C)	<u>583,997,084</u>		<u>452,065,724</u>
IV Employee stock options				
Balance as per last financial statements		-		-
Add: Additions on account of grants during the year		144,710		-
Less: Transferred to securities premium on account of exercise of options		-		-
Less: Transferred to general reserves on unexercised options lapsed/ cancelled		-		-
Closing Balance	(D)	<u>144,710</u>		<u>-</u>
V Surplus in the statement of profit and loss				
Balance as per last financial statements		1,808,262,896		1,309,881,801
Profit for the year		659,656,798		623,001,369
Less: Appropriations		-		-
Statutory reserve under section 45 (1C) of Reserve Bank of India		(131,931,360)		(124,600,274)
Net surplus in the statement of profit and loss	(E)	<u>2,335,988,334</u>		<u>1,808,262,896</u>
Total reserves and surplus	(A+B+C+D+E)	<u>5,171,617,039</u>		<u>4,511,715,531</u>

5. Long term borrowings

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
Compulsorily convertible debentures				
290,931,076 (Previous year: 290,931,076) 14.75% compulsorily convertible debentures of Rs. 10 each (unsecured)	2,909,310,760	2,909,310,760	-	-
15,481,134 (Previous year: 15,481,134) 14.75% B Series compulsorily convertible debentures of Rs. 10 each (unsecured)	154,811,340	154,811,340	-	-
6,749,135 (Previous year: 6,749,135) 14.75% C Series compulsorily convertible debentures of Rs. 10 each (unsecured)	67,491,350	67,491,350	-	-
247,468 (Previous year: 247,468) 14.75% D Series compulsorily convertible debentures of Rs. 10 each (unsecured)	2,474,680	2,474,680	-	-



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DMI Finance Private Limited

Notes to financial statements for the year ended March 31, 2018

224,971 (Previous year 224,971) 14.75% E Series compulsorily convertible debentures of Rs. 10 each (unsecured)	2,249,710	2,249,710	-	-
899,885 (Previous year 899,885) 14.75% F Series compulsorily convertible debentures of Rs. 10 each (unsecured)	8,998,850	8,998,850	-	-
4,180,602 (Previous year 4,180,602) 14.75% G Series compulsorily convertible debentures of Rs. 10 each (unsecured)	41,806,020	41,806,020	-	-
32,303,835 (Previous year 32,303,835) 14.75% H Series compulsorily convertible debentures of Rs. 10 each (unsecured)	323,038,350	323,038,350	-	-
	3,510,181,060	3,510,181,060	-	-
Non convertible debentures				
1980 (Previous year Nil) 10.50% Series- I non convertible debentures of Rs. 1,000,000 each (Secured)	1,980,000,000	-	-	-
	1,980,000,000	-	-	-
Term loans				
Indian rupee loan from banks (Secured)	2,462,308,573	1,451,984,928	1,255,205,826	1,955,226,423
	2,462,308,573	1,451,984,928	1,255,205,826	1,955,226,423
The above amount includes				
Secured borrowings	4,442,308,573	1,451,984,928	1,255,205,826	1,955,226,423
Unsecured borrowings	3,510,181,060	3,510,181,060	-	-
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(1,255,205,826)	(1,955,226,423)
Net Amount	7,952,489,633	4,962,165,988	-	-

a 14.75% compulsorily convertible debentures would be converted into equity shares of the Company at a fixed price of Rs. 35 per equity share having face value of Rs. 10 per share. The CCDs would have such maturity period as may be determined by the Board of Directors of the Company but not exceeding 30 September 2021. However, at the option of the Company the whole or part of the CCDs may be converted into resultant equity shares before the end of the maturity period. In such an event, such conversion date would be the maturity date.

b Terms attached to compulsorily convertible debentures carrying Series G

14.75% compulsorily convertible debentures would be converted into equity shares of the Company at a fixed price of Rs. 35 per equity share having face value of Rs. 10 per share. The CCDs would have such maturity period as may be determined by the Board of Directors of the Company but not exceeding 30 September 2021. However, at the option of the Company the whole or part of the CCDs may be converted into resultant equity shares before the end of the maturity period. In such an event, such conversion date would be the maturity date. The CCDs shall, subject to applicable Indian Laws, rank senior to all kinds and classes of the Company's share capital currently existing or established hereafter. Upon a liquidation and winding up of the Company prior to the Maturity Date of a CCD, such CCD will immediately be converted into equity shares of the Company as per the conversion terms of each CCD. Upon such a conversion, the equity shares into which the CCDs are converted will rank pari passu with all other equity shares in all respects, including for purposes of the distribution of assets of the Company. The holders of CCDs would not be regarded as shareholders of the Company and they will not get any right to attend the meetings of shareholders and vote thereat till the time of conversion of CCDs.

c Terms attached to compulsorily convertible debentures carrying Series B - F

14.75% compulsorily convertible debentures would be converted into equity shares of the Company at a fixed price of Rs. 35 per equity share having face value of Rs. 10 per share. The CCDs would have such maturity period as may be determined by the Board of Directors of the Company but not exceeding 30 September 2021. However, at the option of the Company the whole or part of the CCDs may be converted into resultant equity shares before the end of the maturity period. In such an event, such conversion date would be the maturity date. The CCDs shall until conversion into equity shares and subject to applicable Indian laws, rank senior to all kinds and classes of the Company's share capital currently existing or established hereafter. Upon a liquidation and winding up of the Company, such B to F Series CCDs shall immediately be converted into equity shares. Upon such conversion, the equity shares issued against conversion of B to F Series CCDs shall rank pari passu with all other equity shares in all respects, including for purposes of the distribution of assets of the Company.

d Terms attached to compulsorily convertible debentures carrying Series H

14.75% compulsorily convertible debentures would be converted into equity shares of the Company at a fixed price of Rs. 35 per equity share having face value of Rs. 10 per share. The CCDs would have such maturity period as may be determined by the Board of Directors of the Company but not exceeding 30 September 2021. However, at the option of the Company the whole or part of the CCDs may be converted into resultant equity shares before the end of the maturity period. In such an event, such conversion date would be the maturity date. The CCDs shall until conversion into equity shares and subject to applicable Indian laws, rank senior to all kinds and classes of the Company's share capital currently existing or established hereafter. Upon a liquidation and winding up of the Company, such H Series CCDs shall immediately be converted into equity shares. Upon such conversion, the equity shares issued against conversion of H Series CCDs shall rank pari passu with all other equity shares in all respects, including for purposes of the distribution of assets of the Company.

e Terms attached to non-convertible debentures issued during the year

During the year, the Company issued 1980 (Previous year-Nil) secured, rated, redeemable non-convertible debentures (NCDs) of face value of Rs. 1000000/- each aggregating to Rs. 1,980,000,000 at the coupon rate of 10.5% per annum, accrued, compounded and payable quarterly. The NCDs would have such maturity period as determined by the repayment schedule defined in the agreement. The total tenor of the NCDs will be 60 months from the allotment date and the last redemption date would be 7 May 2022. The NCDs are secured by way of first and exclusive charge of hypothecation on identified receivables as described in the Debenture Trust Deed to the extent required for maintaining the security cover of one time (1 times) in respect of the outstanding principal amount to be maintained till the final settlement date.



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1. During the year, the Company has introduced new banks under multiple banking arrangement. The loans are secured against exclusive charge by way of hypothecation of book debts of the company. The details are as follows:

	Repayment details	Rate of interest	Security cover	As at March 31, 2018		As at March 31, 2017	
				Current	Non-current	Current	Non-current
				Rs.	Rs.	Rs.	Rs.
Bank of India-I	14 quarterly instalments	=>9%<12%	133%	-	-	150,000,000	-
Bank of India-II	14 quarterly instalments	=>9%<12%	133%	-	-	200,000,000	-
State Bank of India-I	14 quarterly instalments	=>9%<12%	133%	107,406,396	-	142,800,000	143,106,396
State Bank of India-II	14 quarterly instalments	=>9%<12%	133%	178,500,000	143,000,000	142,800,000	289,800,000
IDBI	14 quarterly instalments	=>9%<12%	133%	-	-	257,142,850	-
Bank of Baroda	14 quarterly instalments	=>9%<12%	133%	-	-	214,285,730	-
Karur Vysaya Bank	14 quarterly instalments	=>9%<12%	133%	85,714,286	64,265,717	85,714,284	150,000,000
Lakshmi Vilas Bank	14 quarterly instalments	=>9%<12%	133%	-	-	85,714,284	128,564,577
Small Industrial Development Bank of India-I	14 quarterly instalments	=>9%<12%	133%	71,428,000	71,430,000	71,428,000	142,856,000
Small Industrial Development Bank of India-II	14 quarterly instalments	=>9%<12%	133%	114,000,000	200,500,000	85,000,000	14,500,000
South Indian Bank	14 quarterly instalments	=>9%<12%	133%	-	-	71,428,572	142,711,807
Syndicate Bank	14 quarterly instalments	=>9%<12%	133%	-	-	392,857,144	-
Lakshmi Vilas Bank	18 quarterly instalments	=>9%<12%	133%	-	-	55,558,556	444,444,444
HDFC Bank*	15 quarterly instalments	=>9%<12%	133%	75,000,000	206,250,000	-	-
IFCI Ltd.*	14 quarterly instalments	=>9%<12%	133%	285,714,286	714,285,714	-	-
UBI*	14 quarterly instalments	=>9%<12%	133%	107,142,858	392,857,142	-	-
AU Finance Bank*	36 monthly instalments	=>9%<12%	110%	137,500,000	312,500,000	-	-
Kolak Bank*	12 quarterly instalments	=>9%<12%	133%	50,000,000	100,000,000	-	-
South Indian Bank-II	14 quarterly instalments	=>9%<12%	133%	42,800,000	257,200,000	-	-
Total				1,255,205,826	2,462,308,973	1,955,226,423	1,451,984,928

* During the year new banks have been introduced under multiple banking arrangement.

Note: During the financial year 2017-18 consortium of working capital & term loan has been dissolved vide meeting held on 6th October 2017. The company is in the process of getting individual documentation completed for which the member banks are in process of obtaining the internal approvals from their relevant authority.

6. Provisions

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits				
Provision for gratuity	4,877,857	3,215,321	94,443	49,318
Provision for earned leave	4,757,336	938,546	388,126	25,575
(A)	8,635,193	4,153,867	482,569	74,893
Other provisions				
Contingent provision for standard assets	43,544,571	34,836,053	17,115,429	11,834,501
Provision for non performing assets	18,304,849	11,335,082	-	-
Provision for tax (net of advance tax)	-	-	2,987,921	1,367,584
(B)	61,849,420	46,171,135	20,103,350	13,202,085
Total (A+B)	71,484,613	50,324,982	20,583,919	13,276,978

7. Short term borrowings

	March 31, 2018	March 31, 2017
	Rs.	Rs.
	Cash credit from banks (secured)	376,508,754
	376,508,754	2,932,090
The above amount includes:		
Secured borrowings	376,508,754	2,932,090
Unsecured borrowings	-	-
	376,508,754	2,932,090

Cash credit are secured against pari-passu charge by way of hypothecation of book debts of the company. The details are as follows:

Bank name	Repayment details	Rate of interest	Security cover	As at March 31, 2018	As at March 31, 2017
				Rs.	Rs.
				Bank of India	=>9%<12%
Bank of Baroda	=>9%<12%	133%	194,613,790	1,074,291	
State Bank of India	=>9%<12%	133%	-	740,355	
Lakshmi Vilas Bank	=>9%<12%	133%	-	1,117,445	
AU Finance Bank**	=>9%<12%	110%	50,080,137	-	
HDFC Bank**	=>9%<12%	133%	130,991,277	-	
Total			376,508,753	2,932,090	

** During the year new banks have been introduced under multiple banking arrangement.

Note: During the financial year 2017-18 consortium of working capital & term loan has been dissolved vide meeting held on 6th October 2017. The company is in the process of getting individual documentation completed for which the member banks are in process of obtaining the internal approvals from their relevant authority.

8. Other current liabilities

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Trade payables (refer note 26 for details of dues to micro and small enterprises)	60,487,854	19,564,856
Current maturities of long term borrowings (Note 5)	1,255,205,826	1,955,226,423
Interest accrued but not due on borrowings	477,273,935	432,411,044
TDS payable	65,333,001	54,689,811
Employee benefits payables	34,448,899	23,500,000
Employee provident fund	912,563	381,049
Employee state insurance	26,043	14,516
Family pension fund payable	-	-
Others	86,625,591	75,164,061
(B)	1,919,825,858	2,541,386,704
Total (A+B)	1,980,313,713	2,560,951,560



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9. Tangible assets						(Amount in Rs.)
	Furniture and fixtures	Computer	Vehicles	Office equipment	Lease hold improvements	Total
Cost						
At April 1, 2016	1,229,861	4,529,666	4,010,576	5,370,010	31,168,044	46,307,958
Additions	234,074	2,080,457	-	2,413,093	5,584,852	10,312,476
Disposals	-	-	-	-	-	-
At March 31, 2017	1,463,735	6,610,123	4,010,576	7,783,103	36,752,896	56,620,434
Additions	43,792	5,719,299	4,113,654	2,878,637	20,157,394	32,912,776
Disposals	-	-	1,700,000	12,000	-	1,712,000
At March 31, 2018	1,507,527	12,329,422	6,424,230	10,649,740	56,910,290	87,821,210
Depreciation						
At April 1, 2016	129,417	3,041,014	2,517,431	1,248,259	1,608,218	8,542,341
Charge for the year	182,960	1,426,244	478,579	1,876,841	3,419,269	7,383,913
Disposals	-	-	-	-	-	-
At March 31, 2017	312,397	4,467,258	2,996,010	3,123,100	5,027,487	15,926,254
Charge for the year	150,436	2,804,773	1,000,708	2,357,944	4,802,426	11,116,287
Disposals	-	-	989,162	3,625	-	992,787
At March 31, 2018	462,833	7,272,031	3,007,556	5,477,419	9,829,913	26,049,754
Net Block						
At March 31, 2017	1,151,338	2,142,865	1,014,566	4,660,003	31,725,409	40,894,180
At March 31, 2018	1,044,694	5,057,391	3,416,674	5,172,321	47,080,377	61,771,456

Intangible assets

	Computer software	Total
Gross block		
At April 1, 2016	1,878,155	1,878,155
Purchase	3,257,429	3,257,429
Disposals	3,152,929	3,152,929
At March 31, 2017	1,982,655	1,982,655
Additions	1,227,058	1,227,058
Disposals	-	-
At March 31, 2018	3,209,713	3,209,713
Amortization		
At April 1, 2016	443,825	443,825
Charge for the year	501,459	501,459
At March 31, 2017	945,284	945,284
Charge for the year	571,295	571,295
At March 31, 2018	1,516,579	1,516,579
Net block		
At March 31, 2017	1,037,371	1,037,371
At March 31, 2018	1,693,134	1,693,134

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10. Non-current investments

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Trade investment (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiary		
14,017,230 (Previous year: 13,517,230) equity shares of Rs. 10 each fully paid up in DMI Housing Finance Private Limited	147,719,378	142,719,378
12,498 (Previous year: 12,498) equity shares of Rs. 10 each fully paid up in DMI Management Services Private Limited	958,712	958,712
99,998 (Previous year: 99,998) equity shares of Rs. 10 each fully paid up in DMI Capital Private Limited	994,590	994,590
Investment in associates		
9,800 (Previous year: 9,800) equity shares of Rs. 10 each fully paid up in DMI Alternatives Private Limited	98,000	98,000
Non-trade investment (valued at cost unless stated otherwise)		
Investment in equity instrument (unquoted)		
3,480,000 (Previous year: 3,480,000) equity shares of Rs. 10 each fully paid up in Alchemist Asset Reconstruction Company Limited	206,550,000	206,550,000
274,861 (Previous year: 274,861) equity shares of Rs. 10 each fully paid up in DMI Consumer Credit Private Limited	2,748,610	2,748,610
Investment in equity instrument (quoted)		
3,200,000 (Previous year: Nil) equity shares of Rs. 62 each fully paid up in McNally Bharat Engg Co. Ltd	198,400,000	-
	(A) 557,469,290	354,069,290
Investments in preference shares (Unquoted) investment in subsidiary		
60,00,000 (Previous year: 60,00,000) Compulsorily Convertible Preference Shares of Rs. 10 each fully paid up in DMI Capital Private Limited*	60,000,000	60,000,000
87,742,029 (Previous year: 49,357,554) Compulsorily Convertible Preference Shares of Rs. 10 each fully paid up in DMI Housing Finance Private Limited**	936,000,000	526,000,000
	(B) 996,000,000	586,000,000
Investments in Security Receipts of Alchemist XV Trust (Unquoted)	196,784,500	197,697,000
	(C) 196,784,500	197,697,000
Aggregate value of investments	(A+B+C) 1,750,253,790	1,137,766,290

Credit substitutes are quoted non-convertible debentures and are part of financing activities. The same has been classified in loan and advances (refer note 12 (B)). However, it has been disclosed in investments as per the disclosure requirement under the Companies Act, 2013.

* 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.

** Terms attached to compulsorily convertible preference shares issued by DMI Housing Finance Private Limited

The holder of compulsorily convertible preference shares shall not carry any voting rights until conversion into equity shares.

The holders of the compulsorily convertible preference shares shall not be entitled to receive dividends until such dividends are declared by the Board of Directors.

The compulsorily convertible preference shares shall convert into equity shares on the conversion date i.e. 31 March 2030 at a conversion price which is equivalent to the higher of allotment date Fair Market Value (FMV) or conversion date price which shall be determined as per the terms of CCPS.

The compulsorily convertible preference shares shall rank senior to the Company's equity share capital currently existing or established hereafter. Subject to applicable laws, in the event of a liquidation, dissolution or winding up (voluntary or otherwise), such compulsorily convertible preference shares shall immediately be converted into equity shares of the Company as per the terms and condition set forth in the terms of compulsorily convertible preference shares. Upon such conversion, the equity shares issued against conversion of compulsorily convertible preference shares shall rank pari passu with all other equity shares in all respects, including for purposes of the distribution of assets of the Company.



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	March 31, 2018	March 31, 2017
	Rs.	Rs.
11. Deferred tax asset (net)		
Deferred tax liability		
Impact of income recognition on unrealized gain on mutual funds	75,199	63,962
Gross deferred tax liability	(A) 75,199	63,962
Deferred tax asset		
Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	3,321,145	2,772,509
Provision for standard and non-performing assets	27,328,155	20,074,583
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
-Provision for gratuity	1,720,814	1,129,826
-Provision for earned leave	1,780,049	333,663
-Employee stock option	50,081	-
-Disallowed interest to related party u/s 94B	21,150,785	-
Gross deferred tax asset	(B) 55,351,010	24,310,581
Deferred tax asset (net)	(B-A) 55,275,811	24,226,619

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
12. Loans and advances				
Loans and advances towards financing activities				
Secured, considered good				
Standard assets				
Term loans	6,565,248,303	4,316,907,745	2,047,737,880	2,536,183,406
Non-convertible debentures- Unquoted	1,500,647,246	1,550,000,002	98,308,551	-
Overdraft	71,200,000	354,400,000	283,200,000	283,200,000
Substandard assets*				
Term loans	4,745,032	-	-	-
Unsecured, considered good				
Standard assets				
Consumer loans	434,604,267	1,232,978	782,981,965	22,994,124
Substandard assets**				
Consumer loans	6,632,979	1,414,441	-	-
Considered loss				
Term loans	11,193,618	11,193,618	-	-
	(A) 8,594,271,445	6,235,148,784	3,212,228,386	2,842,377,532

* Represents standard assets in accordance with Company's asset classification policy (refer note 2 (q))

** Represents non-performing assets in accordance with Company's asset classification policy (refer note 2 (q))

Credit substitutes

89 (Previous year: 300) 18% Secured redeemable non-convertible debentures of Rs 1,000,000 each fully paid up in Fantasy Buildwell Private Limited	53,325,801	239,186,696	17,632,919	49,712,197
185 (Previous year: 185) 16% Secured redeemable non-convertible debentures of Rs.1,000,000 each fully paid up in Fantasy Buildwell Private Limited	120,631,687	155,683,285	35,051,598	29,316,715
629 (Previous year: 629) 18% Secured redeemable non-convertible debentures of Rs.1,000,000 each fully paid up in Raheja Icon Entertainment Private Limited.	407,046,548	588,483,718	221,953,452	40,516,282
Nil (Previous year: 52) 19% Secured redeemable rated listed non-convertible debentures series-II of Rs.1,000,000 each fully paid up in Sai Srushti Builders Private Limited.	-	43,179,316	-	6,204,268
73 (Previous year: 149) 19.25% Secured redeemable rated listed non-convertible debentures series-III of Rs.1,000,000 each fully paid up in Sai Srushti Builders Private Limited.	81,120,336	155,587,990	-	-
1000 (Previous year: 496) 20% Secured, rated, listed, redeemable non-convertible debentures of Rs.1,000,000 each fully paid up in Chansmatic Infrotech Private Limited.	209,788,744	284,042,851	443,061,207	180,795,745
Nil (Previous year: 45) 12% Secured redeemable non-convertible debentures of Rs 10,000,000 each fully paid up in Future Corporate Resources Limited	-	360,000,000	-	90,000,000
Nil (Previous year: 497) 16-90% Secured redeemable non-convertible debentures series A of Rs.1,000,000 each fully paid up in Sepset Properties Private Limited	-	394,164,708	-	83,956,850
Nil (Previous year: 124) 18-90% Secured, rated, redeemable non-convertible debentures series B of Rs.1,000,000 each fully paid up in Sepset Properties Private Limited.	-	119,289,888	-	4,710,112



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DMI Finance Private Limited

Notes to financial statements for the year ended March 31, 2018

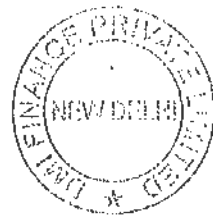
189 (Previous year: 189) 13.50% Secured redeemable non-convertible debentures of Rs.1,000,000 each fully paid up in Nspirra Management Services Private Limited.	93,240,000	181,280,000	68,040,000	27,720,000																																			
63 (Previous year: 63) 12% Secured redeemable non-convertible debentures series A of Rs.1,000,000 each fully paid up in Nspirra Management Services Private Limited	83,000,000	83,000,000	-	-																																			
Nil (Previous year: 700) 17% Secured redeemable non-convertible debentures issued on private placement basis of Rs.1,000,000 each fully paid up in Total Environment-Machine Craft Private Limited	-	710,639,836	-	-																																			
570 (Previous year: 370) 19.75% Secured, rated, redeemable non-convertible debentures Tranche I issued on private placement basis of Rs.1,000,000 each fully paid up in Saha Estate Developers Private Limited.	596,473,181	372,914,384	-	-																																			
150 (Previous year: Nil) 12.84%, Senior fully secured redeemable interest bearing non-convertible debentures Series A issued on private placement basis of Rs.1,000,000 each fully paid up in Radiant Polymers Private Limited.	150,000,000	-	-	-																																			
184 (Previous year: Nil) 8.58%, Senior fully secured redeemable interest bearing non-convertible debentures Series B issued on private placement basis of Rs.1,000,000 each fully paid up in Radiant Polymers Private Limited	184,000,000	-	-	-																																			
274 (Previous year: Nil) 15%, Secured rated listed redeemable non-convertible debentures Series- Tranche 1 issued on private placement basis of Rs.1,000,000 each fully paid up in Panchsheel Buildtech Private Limited.	274,000,000	-	-	-																																			
4 (Previous year: Nil) 20%, Secured, rated, listed, redeemable non-convertible debentures, fixed debentures issued on private placement basis of Rs.1,000,000 each fully paid up in Ansal Condominium Limited	3,356,588	-	643,514	-																																			
(B)	<u>2,235,982,886</u>	<u>3,647,432,672</u>	<u>786,382,690</u>	<u>514,932,169</u>																																			
Total of loan and advances from financing activities (A+B)	<u>10,630,254,331</u>	<u>9,882,581,456</u>	<u>3,998,611,085</u>	<u>3,357,309,701</u>																																			
Other loans and advances																																							
Capital advance																																							
Unsecured, considered good	911,196	10,000	-	-																																			
Security deposit																																							
Unsecured, considered good	9,680,068	5,333,600	-	-																																			
Advance income tax (net of provision for taxation)	2,808,106	4,616,875	-	-																																			
Prepaid expenses	-	-	15,221,980	3,568,952																																			
Balances with statutory / government authorities	-	-	18,945,955	10,592,945																																			
Others	61,485,248	12,857,845	13,972,365	3,258,538																																			
(C)	<u>74,884,618</u>	<u>22,818,320</u>	<u>48,140,301</u>	<u>17,420,435</u>																																			
Total (A+C)	<u>8,689,156,063</u>	<u>6,257,957,105</u>	<u>3,260,368,697</u>	<u>2,859,797,967</u>																																			
Grant Total (A+B+C)	<u>10,905,138,949</u>	<u>9,906,399,777</u>	<u>4,046,751,386</u>	<u>3,374,730,136</u>																																			
<table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Non-current</th> <th colspan="2" style="text-align: center;">Current</th> </tr> <tr> <th></th> <th style="text-align: center;">March 31, 2018</th> <th style="text-align: center;">March 31, 2017</th> <th style="text-align: center;">March 31, 2018</th> <th style="text-align: center;">March 31, 2017</th> </tr> <tr> <th></th> <th style="text-align: center;">Rs.</th> <th style="text-align: center;">Rs.</th> <th style="text-align: center;">Rs.</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Loans and advances due by related party</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Loans and advances to related parties include</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Loan given to DMI Alternatives Pvt. Ltd.</td> <td style="text-align: center;">60,000,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>60,000,000</u></td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>						Non-current		Current			March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		Rs.	Rs.	Rs.	Rs.	Loans and advances due by related party					Loans and advances to related parties include					Loan given to DMI Alternatives Pvt. Ltd.	60,000,000	-	-	-		<u>60,000,000</u>	-	-	-
	Non-current		Current																																				
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017																																			
	Rs.	Rs.	Rs.	Rs.																																			
Loans and advances due by related party																																							
Loans and advances to related parties include																																							
Loan given to DMI Alternatives Pvt. Ltd.	60,000,000	-	-	-																																			
	<u>60,000,000</u>	-	-	-																																			

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13. Other assets

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
Non-current bank balances (refer note 16)	14,151,282	11,223,661	-	-
Assets under settlement	1,442,540,772	421,568,579	-	-
Interest accrued on fixed deposits	-	-	232,357	154,786
Interest accrued but not due on business loans	-	-	125,228,693	79,616,495
Interest accrued and due on business loans	-	-	108,843,171	36,966,036
Redemption premium accrued but not due on NCDs	21,520,980	-	23,793,991	12,937,983
Other assets	19,996,203	-	-	-
	<u>1,498,209,237</u>	<u>432,792,240</u>	<u>258,098,212</u>	<u>129,875,300</u>

14. Current investments

Unquoted mutual funds*

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Nil (Previous year: 118,403) units of carrying NAV of Rs 3,589.47 (Previous year: Rs 3379.23) of HDFC Cash Management Fund- Saving Plan- Growth	-	400,111,737
155.80 (Previous year: 155.90) units carrying NAV of Rs 1999.14 (Previous year: Rs 1870.02) of Baroda Pioneer Liquid Fund Plan B- Growth	311,655	291,525
504.72 (Previous year: 504.72) units carrying NAV of Rs. 2101.53 (Previous year: Rs.1970.20) of Canara Robeco Liquid- Direct Growth	1,080,682	994,394
Aggregate amount of unquoted investment	<u>1,372,337</u>	<u>401,397,656</u>

* Unquoted mutual funds have been valued at net asset value "NAV" declared by the mutual fund in respect of each particular scheme, in accordance with the NDFC directions.

Credit substitutes are quoted non-convertible debentures and are part of financing activities. The same has been classified in loan and advances (refer note 12 (B)). However, it has been disclosed in investments as per the disclosure requirement under the Companies Act, 2013

15. Trade receivables

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	74,569,673	32,348,495
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*		
	<u>74,569,673</u>	<u>32,348,495</u>

* these are receivable on account of legal and consultancy charges incurred for obtaining title for assets acquired under settlement during the year.

16. Cash and bank balances

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents				
Balances with banks				
On current accounts			441,713,845	143,308,013
Deposits with original maturity of less than three months			-	-
Cash on hand			63,170	4,383
			<u>441,777,015</u>	<u>143,312,396</u>
Other bank balances				
*Deposits with remaining maturity for less than 12 months	14,151,282	11,223,661		
	<u>14,151,282</u>	<u>11,223,661</u>		
Amount disclosed under other non-current assets (refer note 13)	(14,151,282)	(11,223,661)		
	<u>-</u>	<u>-</u>	<u>441,777,015</u>	<u>143,312,396</u>

* Deposits being lien marked against corporate credit cards and bank guarantee issued from HSBC, HDFC & Kotak bank.

17. Revenue from operations

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Interest income on loans	2,288,300,467	2,153,169,748
Other operating revenue		
Income from amortization of discount received on purchase of non convertible debentures	-	1,046,510
Loan processing fees	24,046,617	805,665
Interest on fixed deposits as margin money deposits*	758,651	709,395
Profit on sale of non convertible debentures	8,488,329	7,412,069
Consulting fee	-	459,324
Redemption premium	77,108,914	10,856,009
Other operational income	1,703,899	1,957
	<u>2,400,406,877</u>	<u>2,174,460,677</u>

*Represents interest on fixed deposits lien marked against corporate credit cards issued from HSBC and HDFC banks.

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18. Other income

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Profit on sale of mutual fund units	52,553,084	19,064,347
Unrealized gain of Mark to market on mutual fund	66,418	189,274
Interest from loan to associate	1,917,809	-
Provisions written back	-	30,404,399
Profit on sale of equity investments of subsidiary Company	-	3,546,562
Miscellaneous income	7,815,333	32,729
	<u>62,372,644</u>	<u>53,237,311</u>

19. Employee benefits expense

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Salaries and bonus / incentives	205,101,834	166,579,604
Gratuity expenses (Refer note 24)	1,707,661	1,256,477
Earned leave expense (Refer note 24)	4,179,341	964,121
Employee stock option expense (Refer note 28)	144,710	-
Contribution to provident fund and other funds	3,213,355	943,034
Staff welfare expense	5,594,002	2,983,010
	<u>219,940,903</u>	<u>172,726,446</u>

20. Finance costs

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Interest		
on compulsory convertible debentures	517,751,706	470,495,180
on non convertible debentures	186,255,616	-
on bank cash credit	12,587,619	31,794,802
on bank term loan	235,663,042	387,487,472
on delayed deposit of statutory dues	433,089	880,131
Processing fees on borrowings	13,164,932	9,169,562
Other ancillary cost on borrowings	4,450,000	11,975,000
Bank charges	10,158,588	6,869,675
	<u>980,464,592</u>	<u>918,671,822</u>

21. Depreciation expense

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Depreciation of property, plant and equipment	11,115,267	7,383,913
Amortization of intangible assets	571,295	501,459
	<u>11,687,562</u>	<u>7,885,372</u>

22. Other Expenses

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Legal and professional fees	23,281,337	24,976,226
Traveling & conveyance expenses	14,396,670	10,051,560
Audit fee (refer details below)	2,300,000	2,100,000
Subscription and license fees	16,334,216	10,860,989
Credit rating fee	18,652,490	7,131,589
Rates and taxes	3,316,913	2,905,330
Rent	14,845,660	11,117,870
Business development expenses	46,951,728	648,571
Contingent provision against standard assets (refer note 2r)	13,989,448	7,193,265
Provision for non performing assets	6,969,787	141,442
Brokerage	462,404	2,596,959
Loan Assets written-off	1,256,063	52,250,344
Fixed assets written-off	75,838	3,152,928
Goods & service tax written-off	13,856,302	-
Service tax credit written-off	2,241,713	6,342,162
Loss on sale of fixed assets	-	-
Swachh Bharat Cess written-off	146,760	442,969
Krishi Kalyan Cess written-off	311,340	177,349
Corporate social responsibility	16,360,951	12,856,647
Business promotion expenses	3,953,036	2,786,535
Communication expenses	4,798,396	2,472,704
Amortization of add on cost of NCDs	15,493,135	1,788,832
Repair & maintenance	3,512,235	3,327,797
Printing & stationery	945,636	725,861
Insurance	302,330	209,681
TDS written-off	1,841,184	-
Security expense	2,347,616	1,239,625
Miscellaneous expenses	7,047,652	4,508,008
	<u>235,990,866</u>	<u>172,005,264</u>

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Payment to auditor

As auditor:

- Audit fee
- Tax audit fee

In other capacity:

- Certification fee

March 31, 2018	March 31, 2017
Rs.	Rs.
1,900,000	1,700,000
250,000	250,000
150,000	150,000
2,300,000	2,100,000

23. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computation

Profit after tax

Less: Dividends on compulsorily convertible preference shares and tax thereon

Net profit for calculation of basic EPS

Net profit as above

Add: Dividend on compulsorily convertible preference shares and

Profit for calculation of diluted EPS *

March 31, 2018	March 31, 2017
Rs.	Rs.
659,656,798	623,001,369
-	-
659,656,798	623,001,369
659,656,798	623,001,369
-	-
659,656,798	623,001,369

Weighted average number of equity shares in calculating basic

Effect of dilution

Convertible preference shares

Conversion of employee stock option

Weighted average number of equity shares in calculating diluted EPS *

March 31, 2018	March 31, 2017
Rs.	Rs.
659,656,798	623,001,369
-	-
659,656,798	623,001,369
659,656,798	623,001,369
-	-
659,656,798	623,001,369

No. of shares

324,418,138

No. of shares

292,492,396

27,783,195

27,783,195

11,469

-

352,212,802

320,275,591

* Impact of convertible debentures being anti-dilutive, has not been considered for computation of dilutive EPS

24. Gratuity and other post employment benefit plans

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.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

(i). Gratuity:

Statement of profit and loss

Net employee benefit expense recognized in employee benefits expense

Current service cost

Interest cost on benefit obligation

Expected return on plan assets

Net actuarial (gain) / loss recognized in the year

Net benefit expense

Actual return on plan assets

March 31, 2018	March 31, 2017
Rs.	Rs.
1,727,357	1,021,121
245,174	160,653
-	-
(264,870)	74,703
1,707,661	1,256,477
-	-

Balance sheet

Benefit asset/ liability

Present value of defined benefit obligation

Fair value of plan assets

Less: Unrecognized past service cost

Plan asset / (liability)

March 31, 2018	March 31, 2017
Rs.	Rs.
4,972,300	3,264,639
-	-
-	-
(4,972,300)	(3,264,639)

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation

Interest cost

Current service cost

Benefits paid

Actuarial (gains) / losses on obligation

Closing defined benefit obligation

March 31, 2018	March 31, 2017
Rs.	Rs.
3,264,639	2,008,162
245,174	160,653
1,727,357	1,021,121
-	-
(264,870)	74,703
4,972,300	3,264,639

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets

Expected return

Contributions by employer

Benefits paid

Actuarial gains / (losses)

Closing fair value of plan assets

March 31, 2018	March 31, 2017
Rs.	Rs.
-	-
-	-
-	-
-	-
-	-
-	-

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The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Discount rate	7.80%	7.51%
Basic salary increase allowing for price inflation	6%	6%
Employee turnover		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the

Net asset/ liability and actuarial experience gain/ (loss) for present benefit obligation

	March 31, 2018 Rs.	March 31, 2017 Rs.
Gratuity		
Defined benefit obligation at the end of the period	4,972,300	3,264,639
Plan assets	-	-
Surplus/(deficit)	(4,972,300)	(3,264,639)
Experience adjustment on plan liabilities (loss)/ gain	58,949	(616,246)
Experience adjustment on plan assets (loss)/ gain	-	-

(ii). Earned leave:

The Company will provide each employee at the time of their exit an amount equal to last drawn basic salary in proportion to their accumulated earned leave balance not exceeding 45

Statement of profit and loss

Net employee benefit expense (recognized in employee benefits expense)

	March 31, 2018 Rs.	March 31, 2017 Rs.
Past service cost	-	507,312
Current service cost	2,340,260	456,809
Interest cost on benefit obligation	72,405	-
Expected return on plan assets	-	-
Benefits paid	(348,451)	-
Net actuarial (gain) / loss recognized in the year	2,115,127	-
Net benefit expense	4,179,341	964,121
Actual return on plan assets	-	-

Balance sheet

	March 31, 2018 Rs.	March 31, 2017 Rs.
Defined benefit obligation	5,143,462	964,121
Fair value of plan assets	-	-
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(5,143,462)	(964,121)

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Opening defined benefit obligation	964,121	-
Interest cost	72,405	-
Past service cost	-	507,312
Current service cost	2,340,260	456,809
Benefits paid	(348,351)	-
Actuarial (gains) / losses on obligation	2,115,127	-
Closing defined benefit obligation	5,143,562	964,121

Changes in the fair value of plan assets are as follows:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	-	-

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	March 31, 2018 Rs.	March 31, 2017 Rs.
Discount rate	7.80%	7.51%
Basic salary increase allowing for price inflation	6%	6%
Retirement age	60	60
Withdrawal rate (%)		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

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DMI Finance Private Limited

Notes to financial statements for the year ended March 31, 2018

Net asset/ liability and actuarial experience gain/ (loss) for present benefit obligation

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Earned leave		
Defined benefit obligation at the end of the period	5,143,462	964,121
Plan assets	-	-
Surplus/(deficit)	(5,143,462)	(964,121)
Experience adjustment on plan liabilities (loss)/ gain	(2,396,268)	-
Experience adjustment on plan assets (loss)/ gain	-	-

25. Segment reporting

The Company operates in a single reportable segment i.e., financing which has similar risk and returns for the purpose of AS 17 on "Segment Reporting" notified under the Companies Accounting standard rules, 2006 (as amended). The Company operates in a single geographical segment i.e., domestic.

26. Details of dues to micro and small enterprises

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, 2018, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED

27. Related party disclosures

a) Names of related parties and related party relationship

Related parties where control exists

Holding company	DMI Limited
Subsidiary company	DMI Housing Finance Private Limited DMI Management Services Private Limited DMI Capital Private Limited

Related parties with whom transactions have taken place during the year

Key management personnel	Mr. Yuvraja Chanakya Singh Mr. Shivashish Chatterjee
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Relative of key management personnel	Mrs. Bina Singh Mrs. Jayati Chatterjee Mrs. Mallika Singh Ms. Promila Chatterjee
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Enterprises owned or significantly influenced by Management personnel or their relatives	DMI Capital Fund LP Compro Technologies Private Limited
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Fellow subsidiaries	DMI Consumer Credit Private Limited
Associates	DMI Alternatives Private Limited

b) Sale/purchase of services

	Purchase of services / assets	Sale of services / assets	Amount owned by related parties	Amount owned to related parties
Compro Technologies Private Limited				
(Current year)	9,725,071	-	-	-
(Previous year)	2,904,275	-	-	-
DMI Housing Finance Private Limited				
(Current year)	47,082,280	8,577,568	-	7,077,875
(Previous year)	4,196,292	53,013,359	-	258,675
DMI Management services Private Limited				
(Current year)	-	595,080	-	-
(Previous year)	-	247,950	-	-
DMI Capital Private Limited				
(Current year)	116,140,765	171,982,923	-	-
(Previous year)	-	120,820,514	-	-

c) Loans taken and repayment thereof

	Loans taken/transfer/ (repaid)	Interest accrued- (inclusive of TDS)	Interest paid (exclusive of TDS)	Amount owned by related parties
DMI Capital Fund LP				
(Current year)	(44,453,060)	61,115,249	53,861,001	465,623,260
(Previous year)	-	64,190,773	52,281,278	512,654,734
Ms. Mallika Singh				
(Current year)	-	295,422	285,880	2,268,740
(Previous year)	-	295,422	285,880	2,268,740
Mr. Yuvraja Chanakya Singh				
(Current year)	-	1,853,181	1,667,863	14,231,803
(Previous year)	-	1,853,181	1,667,863	14,231,803
DMI Alternatives Private Limited				
(Current year)	60,000,000	1,917,808	65,425,027	-
(Previous year)	-	-	-	-

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d) Advance given and repayment thereof	Advance (taken)/ given	Interest on loan, if any	Repayment	Amount owned to related parties
DMI Housing Finance Private Limited (Current year)	-	-	-	-
(Previous year)	(9,300)	-	9,300	-
DMI Management services Private Limited (Current year)	2,000,000	-	(2,000,000)	-
(Previous year)	9,399,500	-	(9,399,500)	-
DMI Capital Private Limited (Current year)	6,231,674	-	(6,231,674)	-
(Previous year)	-	-	-	-
DMI Consumer Credit Private Limited (Current year)	-	-	-	-
(Previous year)	460,835	-	(460,835)	-
DMI Alternatives Private Limited (Current year)	2,800,000	-	(2,800,000)	-
(Previous year)	-	-	-	-
e) 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 Management Services Private Limited Current year		-	3,000	-
Previous year		404,929	38,819	-
DMI Housing Finance Private Limited Current year		66,073	-	-
Previous year		1,153,664	25,046	-
Bina Singh Current year		-	-	-
Previous year		88,596	12,884	-
f) Remuneration to key managerial personnel			March 31, 2018 Rs.	March 31, 2017 Rs.
Mr. Yuvraja Chanakya Singh, Jt. Managing Director Salary, bonus and other benefits			59,530,000	59,530,000
Mr. Shivashish Chatterjee, Jt. Managing Director Salary, bonus and other benefits			26,257,063	30,324,566
g) Remuneration to relative of key managerial personnel				
Mrs. Jayati Chatterjee, Director Sitting fees			160,000	180,000
Mrs. Bina Singh, Director Sitting fees			60,000	80,000
Mr. Gurcharan Das Sitting fees			80,000	100,000
			86,087,063	90,214,566
h) Shares Issued/ purchased from related party			March 31, 2018 Rs.	March 31, 2017 Rs.
DMI Limited Issue of equity shares			-	321,903,200
Securities premium received			-	1,058,739,653
Mr. Yuvraja Chanakya Singh Purchase of equity shares of DMI Housing Finance Private Limited			5,000,000	-

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i) Additions in investments

Name of entity	No. of Equity shares purchased	Amount Rs.	No. of Compulsorily convertible preference shares purchased	Amount Rs.
DMI Housing Finance Pvt. Ltd.				
(Current year)	-	-	38,384,475	410,000,000
(Previous year)	2,754,821	30,000,000	49,357,553	526,000,000
DMI Consumer Credit Pvt. Ltd.				
(Current year)	-	-	-	-
(Previous year)	3,150,000	31,500,000	-	-
DMI Alternatives Pvt. Ltd.				
(Current year)	-	-	-	-
(Previous year)	9,800	96,000	-	-

ii) Others

During the year ended March 31, 2018, the companies has down sold and purchased certain non convertible debentures from Mrs. Jayati Chatterjee with a consideration as mentioned below.

Sale of NCDs- Rs. 1,787,882 (Previous year: Rs. 1,985,464)

Purchase of NCDs- Rs. 1,885,038 (Previous year: Rs. Nil)

During the year ended March 31, 2018, the companies has purchased certain non convertible debentures held by Mr. Gurcharan Das with a consideration of Rs.3,576,021 (Previous year: Rs. Nil)

During the year ended March 31, 2018, the companies has down sold and purchased certain non convertible debentures from Ms. Promila Chatterjee with a consideration as mentioned below

Sale of NCDs- Rs. 883,841 (Previous year: Rs. 992,732)

Purchase of NCDs- Rs. 932,517 (Previous year: Rs. Nil)

28. Employee stock option plans

i. During the year ended March 31, 2018, the following stock option grants were in operation:

Scheme Name	DMI ESOP PLAN 2018
Date of grant	18 March 2018
Date of Board / Compensation Committee approval	16 March 2018
Number of Options granted	107341
Method of settlement	Shares
Graded vesting period **	1/3 every year
First vesting date	18th March 2019
Exercise period **	5 years
Vesting conditions	As per DMI ESOP Plan
Exercise price per option	43.90
Stock price on the date of grant	43.90

* As per the vesting schedule 1/3 Options will vest on completion of one year, two year and three year from the grant date respectively.

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

ii. Reconciliation of options

Options outstanding at the beginning of the year	-
Granted during the year	322023
Exercised during the year	-
Outstanding at the end of the year	322023

III. Computation of fair value

The Company has used fair value method for ESOP valuations. For undertaking fair valuation of ESOP, the Company is using Black-Scholes Model.

Reporting date	31-Mar-18
Fair Market Value	43.90
Volatility	43%
Risk free Rate	7%
Dividend Yield	0%
Exercise Price	43.90
Option Fair Value (Weighted Average)	12.65

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29. Corporate social responsibility expenditure

(a) Gross amount required to be spent by the Company during the year is Rs. 16,360,951 (Previous year Rs. 12,856,647)

(b) Amount spent during the year on

List of CSR activities	In Cash	March 31, 2018	Total Paid	March 31, 2017
		Yet to be paid		Total Paid
Supporting critically ill children from lesser privileged families - Contribution to Genesis Foundation	-	-	-	1,327,000
Providing support to parentless/abandoned children; destitute/homeless women/ widows/ abandoned aged women - Contribution to Param Shakti Peeth	2,000,000	-	2,000,000	1,300,000
Dasra works with both the donor community including corporates, foundations, philanthropists as well as social entrepreneurs and bring together knowledge, funding and people to catalyze social change - Contribution to DASRA, a part of impact foundation	2,800,000	-	2,800,000	2,000,000
Promoting education in the field of medical, engineering, management, computer software, hardware and information technology by establishing school, college, institution, education and research center for upliftment of society, not with the motive of profit- Contribution to International Foundation for Research and Education	5,000,000	-	5,000,000	5,000,000
Azad Foundation's mission is to equip resource- poor women with knowledge and skills so that they excel as professionals and entrepreneurs, and earn a "livelihood with dignity" in jobs and markets that had traditionally been closed to them - Contribution to Azad Foundation	-	-	-	1,900,000
Foundation for promotion of sports and games Provide training, equipment, medical support to athletes - Contribution to Olympic Gold Quest	2,000,000	-	2,000,000	1,308,447
Contribution to Prime Minister National Relief Fund	-	-	-	21,200
The foundation is dedicated to serve less privileged people. It has a shelter for the homeless in Gurugram- Contribution to The Earth Saviours Foundation	335,000	-	335,000	-
The objective of 321 foundation is to develop model schools that have a reputation for high teacher performance and motivation, rigorous student learning and strong parent engagement across the country - Contribution to 321 Foundation	2,000,000	-	2,000,000	-
Jai Vakeel Foundation aim is to provide services to individuals across varying age groups and varying level of intellectual and other associated disabilities - Contribution to Jai Vakeel Foundation	1,042,551	-	1,042,551	-
Learning Matters focuses on providing quality school education keeping in mind their learning differences and abilities. Presently, they run an innovative nursery school program and an after school professional outreach program for older children, the only of its kind in Delhi.- Contribution to Learning Matters Foundation	183,400	-	183,400	-
Anushruti is engaged into providing " Quality Education and Vocational Training" to the differently-abled children in receiving quality education at their school- Contribution to Anushruti IIT (Roorkee)	1,000,000	-	1,000,000	-
Total	16,360,951	-	16,360,951	12,856,647

30. Contingent liability

The company has given a corporate guarantee to following banks against the sanctioned facilities to its subsidiary DMI Housing Finance Private Limited

(Amt in crore)

Bank Name	Term Loan in cr.	Cash Credit in cr.	Total in cr.
State Bank of India	20	25	45
DCB	10	-	10
South Indian Bank	10	-	10
Total	40	25	65

The Company has received an assessment order during the corresponding year 2016-17 for AY 2013-14 issued under section 143(3) of the Income Tax Act raising a demand of Rs. 3,156,040. The Assessing Officer has made an addition of Rs. 55 lacs on account of capital appreciation of debt liquid fund units held by the Company at the end of the financial year 2012-13 as unexplained deduction of expense. The Company has filed an appeal to Commissioner of Income Tax (CIT Appeal) and have obtained a stay against the demand from Principal Commissioner of Income Tax till the disposal of appeal with CIT.

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31. Expenditure in foreign currency (accrual basis)

	March 31, 2018	March 31, 2017
	Rs.	Rs.
Travelling and conveyance	2,664,491	3,470,683
Consulting fee	-	7,831,057
Subscription & license fee	3,194,995	3,672,360
Professional fee	237,358	1,245,059

32. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

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Disclosures in accordance with RBI circular no. DNBR (PD) CC.No.002/03.10.091/2014-15 dated November 10, 2014 and subsequent circular no. DNBR (PD) CC.No. 029/ 03.10.001/ 2014-15 dated April 10, 2015 and amendments thereof

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators:
DMI Finance Pvt. Ltd. is a loan 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	Limit (Rs. in Cr.)	Type of Facility	Rating Changes			
			At the beginning of the year	Change during the year	Date of Change	Remarks
CARE Ratings Limited	900.00	Bank Loans	CARE(A) Single A	CARE AA- Stable Double A Minus (Stable Outlook)	28-Apr-17	The rating has been reaffirmed on 12-Mar-18
	500.00	Non- Convertible Debentures	No Ratings Assigned	CARE AA- Stable Double A Minus (Stable Outlook)	12-Mar-18	New Rating Assigned
Brickworks Ratings India Private Limited	900.00	Bank Loans	BWR AA- Stable Double A Minus (Stable Outlook)	BWR AA- Stable Double A Minus (Stable Outlook)	21-Apr-17	The rating has been reaffirmed on 21-Apr-17
	500.00	Non- Convertible Debentures	CARE AA- Stable Double A Minus (Stable Outlook)	No Change		During the year the amount of rating was increased from 250.00 Cr to 500.00 Cr
ICRA Limited	25.00	Commercial Paper	NA	A1+	28-Jul-17	New Rating Assigned

iii) Penalties, if any, levied by any regulator:
No penalties have been levied by any of the regulators of the company

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

II Capital

Particulars (CRAR details to be updated)

	March 31, 2018	March 31, 2017
i) CRAR (%)	61.20%	72.43%
ii) CRAR- Tier I capital (%)	42.70%	50.15%
iii) CRAR- Tier II capital (%)	18.42%	22.27%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

III Investments

Particulars

	March 31, 2018	March 31, 2017
1) Value of Investments		
i) Gross Value of Investments		
a) In India	1,751,626,127	1,539,163,946
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	1,751,626,127	1,539,163,946
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	-	-

III Derivatives

Particulars

	March 31, 2018	March 31, 2017
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

IV) Exchange Traded Interest Rate (IR) Derivatives

Particulars

	March 31, 2018	March 31, 2017
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 31st March (instrument-wise)	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-



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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	Rs.	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	-	-
*Only the SPVs relating to outstanding securitization transactions may be reported here		
Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction		
Particulars	March 31, 2018	March 31, 2017
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, 2018	March 31, 2017
i) No. of accounts	-	5
ii) Aggregate value (net of provisions) of accounts sold	-	229,523,430
iii) Aggregate consideration	-	229,520,000
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	3,430

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

A. Details of non-performing financial assets purchased :

Particulars	March 31, 2018	March 31, 2017
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, 2018	March 31, 2017
1 No. of accounts sold	-	2
2 Aggregate outstanding	-	2,762,191
3 Aggregate consideration received	-	2,476,972

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

Liabilities		Up to 1 months	1 to 2 months	2 to 3 months	3 to 6 months	6 to 1 year	1 to 3 years	3 to 5 years	over 5 years	Total
Borrowing from Bank	(Current year)	412,208,754	31,250,000	199,914,143	315,078,429	673,263,254	2,057,568,574	404,750,030	-	4,094,023,153
	(Previous year)	38,632,090	1,214,285,727	114,271,286	178,471,286	412,498,127	1,229,762,701	222,222,223	-	3,410,143,440
Compulsorily convertible debentures	(Current year)	-	-	-	-	-	-	3,510,181,068	-	3,510,181,068
	(Previous year)	-	-	-	-	-	-	3,510,181,068	-	3,510,181,068
Non convertible debentures	(Current year)	-	-	-	-	-	1,138,688,342	841,311,658	-	1,980,000,000
	(Previous year)	-	-	-	-	-	-	-	-	-
Total (Current year)		412,208,754	31,250,000	199,914,143	315,078,429	673,263,254	3,196,746,916	4,756,242,726	-	9,584,204,220
Total (Previous year)		38,632,090	1,214,285,727	114,271,286	178,471,286	412,498,127	1,229,762,701	3,732,403,291	-	6,920,324,508
Assets										
Term Loans	(Current year)	269,854,824	184,282,252	734,891,448	688,413,982	1,318,477,351	4,409,258,533	2,326,908,391	357,459,278	10,207,544,045
	(Previous year)	405,963,486	153,013,689	236,056,324	685,042,350	1,362,301,683	3,337,610,929	1,179,026,651	168,611,202	7,527,626,315
Debentures	(Current year)	138,713,684	18,221,737	119,997,120	182,782,205	445,276,494	2,033,561,095	1,394,412,863	308,868,174	4,621,321,372
	(Previous year)	45,876,474	13,348,945	54,829,142	84,831,455	316,046,183	2,684,632,800	2,265,192,301	267,617,588	5,712,364,836
Investments	(Current year)	1,372,337	-	-	-	-	206,550,000	-	1,543,703,790	1,751,626,127
	(Previous year)	401,397,656	-	-	-	-	206,550,000	-	931,216,290	1,539,163,946
Total (Current year)		349,940,845	202,503,989	854,888,568	871,196,167	1,763,753,844	6,649,369,627	3,721,319,254	2,209,819,240	16,580,491,543
Total (Previous year)		853,237,616	166,362,635	290,885,465	769,873,806	1,678,347,838	6,208,783,729	3,444,208,952	1,367,345,060	14,779,055,899

IX) Instances of fraud for the year ended March 31, 2018

Nature of fraud	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-
Loan given against fictitious documents	1	11,193,618	-	-
Fraud by external party	-	-	-	-

Instances of fraud for the year ended March 31, 2017

Nature of fraud	No. of cases	Amt. of fraud	Recovery	Amt. written off
Cash embezzlement	-	-	-	-
Loan given against fictitious documents	1	11,193,618	-	-
Fraud by external party	-	-	-	-

Note: During the year no new fraud account have been reported and the fraud account mentioned above pertains to FY 2015-16.

XI) Exposures
Exposure to Real Estate Sector

Category	March 31, 2018	March 31, 2017
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	27,774,985	154,615,727
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	11,160,236,000	10,347,136,582
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures - Residential Commercial Real Estate		
Total Exposure to Real Estate Sector <i>*Includes exposure to sub-standards assets as well</i>	11,188,010,986	10,501,652,309

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Exposure to Capital Market

Category	March 31, 2018	March 31, 2017
(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:	19,84,00,000	-
(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;	1,38,26,35,219	1,74,69,68,256
(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:		25,00,00,000
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers:	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	1,38,26,35,219	1,99,69,68,256

XI) Details of financing of parent company products

Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

a The company has not exceeded any single or group borrower limits as per prescribed RBI guidelines therefore no details are being provided	-	-
b Unsecured Advances		
- Consumer Durable Loans and Healthcare Loans	53,00,99,398	2,56,41,543
Consumption Loans(includes personal loans, education loans.etc)	69,41,19,813	

XII) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

	March 31, 2018	March 31, 2017
Provisions for depreciation on Investment	-	-
Provision towards NPA	69,69,787	1,41,442
Provision made towards Income tax	38,60,87,982	32,72,41,318
Provision for compensated absence	41,79,341	9,64,121
Provision for gratuity	17,07,661	12,56,477
Provision for Standard Assets	1,39,89,446	71,93,265

XIII) Draw Down from Reserves

-

XIV) Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits

-

Concentration of Advances

-

Total Advances to twenty largest borrowers	10,10,68,96,683	9,23,37,19,134
Percentage of Advances to twenty largest borrowers to Total Advances	68.16%	69.74%

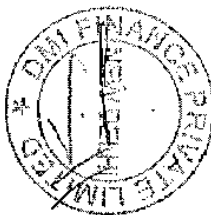
Concentration of Exposures

Total Exposure to twenty largest borrowers / customers	10,44,18,41,683	9,41,16,97,885
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	68.14%	69.96%

Concentration of NPAs

Total Exposure to top four NPA accounts	1,63,44,943	1,17,58,861
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Sector-wise NPAs	Percentage of NPAs to Total Advances in that sector	
	March 31, 2018	March 31, 2017
1 Agriculture & allied activities		
2 MSME		
3 Corporate borrowers		
4 Services		
5 Unsecured personal loans	0.54%	0.01%
6 Auto loans		
7 Other personal loans (Loan against Property)	80.14%	0.06%
XVI) Movement of NPAs		
Net NPAs to Net Advances (%)	0.03%	0.01%
Movement of NPAs (Gross)		
Opening balance	12,608,059	136,548,080
Additions during the year	11,459,577	160,310,725
Reductions during the year	1,496,007	284,250,746
Closing balance	22,671,630	12,608,059
Movement of Net NPAs		
Opening balance	1,272,997	94,950,064
Additions during the year	4,270,529	144,279,653
Reductions during the year	1,272,997	237,955,720
Closing balance	4,270,529	1,272,997
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	11,335,062	41,598,017
Provisions made during the year	8,363,546	21,987,388
Write-off / write-back of excess provisions	1,393,759	52,250,343
Closing balance	18,304,848	11,335,062
XVII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)		
The company does not have any Joint Venture or Subsidiary abroad therefore no details to be reported		
XVIII) Off-Balance sheet SPVs sponsored		
The company does not have any Off-Balance sheet SPV therefore no details to be reported		
XVIII) Customer Complaints		
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

For S. R. Batliboi & Associates LLP
ICAI Firm registration number : 101049W/ E300004
Chartered accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership number: 121411

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

Nigender Kochhar
Nigender Kochhar
(Director)
DIN: 02201954

Shivashish Chatterjee
Shivashish Chatterjee
(Jt. Managing Director)
DIN: 02623460

Sahib Banwa
Sahib Banwa
(Company Secretary & Compliance Officer)
Membership number: A24789

Jatinder Bhasin
Jatinder Bhasin
(Chief Financial Officer)



Date: June 14, 2018
Place: Mumbai

Date: June 14, 2018
Place: New Delhi

