

# **S.N. Dhawan & CO LLP**

**Chartered Accountants**

## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of  
**DMI FINANCE PRIVATE LIMITED**

### **Report on the audit of the standalone financial statements**

#### **Opinion**

We have audited the standalone financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for opinion**

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

#### **Key audit matters**

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

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





| Key audit matters   | How our audit addressed the key audit matters   |
|---|---|
| <b>(a) Impairment of financial assets as at balance sheet date (expected credit losses)</b>   |   |
| <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for:</p> <ul style="list-style-type: none"> <li>- Staging of loans i.e., classification in 'significant increase in credit risk' ('SICR') and 'default' categories;</li> <li>- Estimation of behavioral life;</li> <li>- Determining macro-economic factors impacting credit quality of receivables;</li> <li>- Estimation of losses for loan products with no/ minimal historical defaults</li> </ul> | <p>Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines.</p> <p>Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</p> <p>Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages.</p> <p>Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring.</p> <p>Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.</p> <p>Tested assumptions used by the Management in determining the overlay.</p> <p>Assessed disclosures included in the standalone financial statements in respect of expected credit losses.</p> |
| <b>(b) Information Technology (IT) system controls</b>  |   |
| <p>Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p>   | <p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</p>   |



| Key audit matters  | How our audit addressed the key audit matters  |
|--|--|
| Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting | <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.</p> |

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

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirement of SA 720 (Revised), 'The Auditor's Responsibilities Relating to Other Information.

### Management's responsibility for the standalone financial statements

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





preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the standalone financial statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





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

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

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

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

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended; in our opinion and to the best of our information and according to the explanations given to us, the Company being a private Company, Section 197 of the Act related to the managerial remuneration is not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position as on 31 March 2023 in its standalone financial statements – Refer note 44 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The Management has represented that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.





- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from 1 April, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

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

*Vinesh Jain*

**Vinesh Jain**  
Partner  
Membership No.: 087701  
UDIN: 23087701BGWNIJ1315



Place: Gurugram  
Date: 22 May 2023

**Annexure A to the Independent Auditor's Report**

**Referred to in paragraph 1 under 'Report on other legal and regulatory requirements section of the Independent Auditor's Report of even date to the members of DMI FINANCE PRIVATE LIMITED on the standalone financial statements as of and for the year ended 31 March 2023**

i.

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

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant detail of right of use assets.

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

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

(c) According to the information and explanations given to us and the records examined by us, the Company does not hold any immovable property under the head property, plant and equipment other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.

(d) The Company has not revalued its property, plant and equipment including right of use assets and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii.

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

(b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the respective quarters. The Company has not obtained any working capital limits from any financial institution.





- (a) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Refer notes 7.1 and 49 to the standalone financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. Having regard to the nature of the Company's business and voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount due, due date for repayment or receipt and the extent of delay.

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

| Category of loan (gross)                      | Stage 2 (Rs./ millions) | Stage 3 (Rs./ millions) |
|---|-------------------------|-------------------------|
| Consumer Loans                                | 1,690.44                | 113.81                  |
| Corporate Loans (excluding credit substitute) | 1,784.28                | 2,240.59                |

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

- (d) In respect of loans and advances in the nature of loans (excluding credit substitute), the aggregate amount of loans, where any instalment is overdue for more than 90 days as at 31 March 2023 is Rs. 2,354.40 millions. In our opinion and according to the information and explanation given to us, reasonable steps are being taken by the Company for recovery of overdue amount of principal and interest.
- (e) The Company's principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances either repayable on demand or without specifying any terms or period of repayment during the year.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in



respect of loans granted, investments made, guarantees issued, and security provided.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and there are no amounts which are deemed to be deposits during the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Further the Company had no unclaimed deposits at the beginning of the year.
- vi. According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii.
- (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, to the appropriate authorities,. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

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

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

- viii. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

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





- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily invested in liquid funds, pending utilisation.
  - (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as applicable.
  - (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- x.
- (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
  - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.
- xi.
- (a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud amounting to Rs. 20.3 millions comprising of 116 instances noticed and reported by the management in terms of the regulatory provisions applicable to the Company, as mentioned in note 53 (v) of standalone financial statements
  - (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Since, the



Company is a private limited Company, therefore, the provisions of Section 177 of the Act are not applicable to the Company..

xiv.

- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued to the company till date, and covering the period under audit.

xv.

In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with them covered under Section 192 of the Act.

xvi.

- (a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and the Company has obtained the registration.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.
- (d) The Group has no CIC which are part of the Group. Accordingly, the provision of clause 3(xvi) (d) of the order are not applicable.

xvii.

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

xviii.

There has been no resignation of the statutory auditors during the year.

xix.

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

xx.

- (a) The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Act till the date of our report. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act, has not elapsed till the date of our report.





(b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

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

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



**Vinesh Jain**  
Partner  
Membership No.: 087701  
UDIN: 23087701BGWNIJ1315



Place: Gurugram  
Date: 22 May 2023

## **Annexure B**

**(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements of the Independent Auditor's Report of even date to the members of DMI FINANCE PRIVATE LIMITED, on the standalone financial statements for the year ended 31 March 2023)**

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

We have audited the internal financial controls with reference to financial statements of DMI FINANCE PRIVATE LIMITED ("the Company") as at 31 March 2023 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 financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

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

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

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





## Meaning of Internal Financial Controls with reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

  
**Vinesh Jain**  
Partner  
Membership No.: 087701  
UDIN: 23087701BGWNIJ1315



Place: Gurugram  
Date: 22 May 2023



**DMI Finance Private Limited**  
**Standalone Balance Sheet as at March 31, 2023**  
 (All Amount in Rs. In millions, unless otherwise stated)

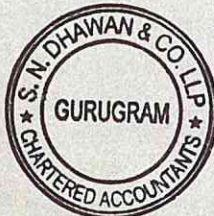
|   | Notes  | As at March 31, 2023 | As at March 31, 2022 |
|---|--------|----------------------|----------------------|
| <b>ASSETS</b>   |        |                      |                      |
| <b>Financial assets</b>   |        |                      |                      |
| Cash and cash equivalents   | 4      | 5,628.39             | 6,533.27             |
| Bank balance other than cash and cash equivalents                               | 5      | 560.10               | 294.45               |
| Trade receivables   | 6      | 308.05               | 57.07                |
| Loans   | 7      | 67,331.33            | 46,801.15            |
| Investments   | 8      | 8,465.14             | 10,688.86            |
| Other financial assets  | 9      | 1,089.55             | 1,608.08             |
| <b>Total financial assets</b>   |        | <b>83,382.56</b>     | <b>65,982.88</b>     |
| <b>Non-financial assets</b>   |        |                      |                      |
| Current tax assets  | 10     | 185.78               | 284.71               |
| Deferred tax assets (net)   | 11     | 1,127.16             | 803.53               |
| Property, plant and equipment   | 12     | 140.53               | 104.18               |
| Capital work in progress  | 13 (a) | -                    | 23.27                |
| Intangible assets under development   | 13 (b) | 8.78                 | -                    |
| Right of use assets   | 14     | 196.35               | 234.95               |
| Other intangible assets   | 15     | 21.66                | 31.41                |
| Other non-financial assets  | 16     | 165.66               | 103.56               |
| <b>Total non-financial assets</b>   |        | <b>1,845.92</b>      | <b>1,585.61</b>      |
| Assets held for sale  | 17     | 75.00                | 143.88               |
| <b>TOTAL ASSETS</b>   |        | <b>85,303.48</b>     | <b>67,712.37</b>     |
| <b>LIABILITIES AND EQUITY</b>   |        |                      |                      |
| <b>LIABILITIES</b>  |        |                      |                      |
| <b>Financial liabilities</b>  |        |                      |                      |
| <b>Payables</b>   |        |                      |                      |
| A) Trade payables   | 18 (a) |                      |                      |
| (i) total outstanding dues of micro and small enterprises                       |        | 8.97                 | 94.79                |
| (ii) total outstanding dues of creditors other than micro and small enterprises |        | 1,133.20             | 659.67               |
| B) Other payables   | 18 (b) |                      |                      |
| (i) total outstanding dues of micro and small enterprises                       |        | -                    | -                    |
| (ii) total outstanding dues of creditors other than micro and small enterprises |        | 525.06               | 379.87               |
| Debt securities   | 19     | 16,837.91            | 18,552.27            |
| Borrowings (other than debt securities)   | 20     | 23,888.51            | 8,965.53             |
| Lease liabilities   | 21     | 242.29               | 276.36               |
| Other financial liabilities   | 22     | 283.98               | 162.87               |
| <b>Total financial liabilities</b>  |        | <b>42,919.92</b>     | <b>29,091.36</b>     |
| <b>Non financial liabilities</b>  |        |                      |                      |
| Provisions  | 23     | 96.35                | 77.25                |
| Other non-financial liabilities   | 24     | 226.04               | 62.89                |
| <b>Total non-financial liabilities</b>  |        | <b>322.39</b>        | <b>140.14</b>        |
| <b>EQUITY</b>   |        |                      |                      |
| Equity share capital  | 25     | 6,567.75             | 6,567.00             |
| Other equity  | 26     | 35,493.42            | 31,913.87            |
| <b>Total equity</b>   |        | <b>42,061.17</b>     | <b>38,480.87</b>     |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |        | <b>85,303.48</b>     | <b>67,712.37</b>     |

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP  
 Firm Registration No. 000050N/NS00045  
 Chartered Accountants

*Vinesh Jain*  
 Vinesh Jain  
 Partner  
 Membership No. 087701



Place: GURUGRAM  
 Date: 22 MAY, 2023

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

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

Place: NEW YORK  
 Date: 22 MAY, 2023

*Yuvraja Chanayya Singh*  
 Yuvraja Chanayya Singh  
 (Jt. Managing Director)  
 DIN: 02601179

Place: NEW DELHI  
 Date: 22 MAY, 2023

*Krishan Gopal*  
 Krishan Gopal  
 (Chief Financial Officer)

Place: NEW DELHI  
 Date: 22 MAY, 2023

*Sahib Pahwa*  
 Sahib Pahwa  
 (Company Secretary)

M. No. A24789  
 Place: NEW DELHI  
 Date: 22 MAY, 2023



**DMI Finance Private Limited**  
**Standalone Statement of profit and loss for the year ended March 31, 2023**  
**(All Amount in Rs. In millions, unless otherwise stated)**

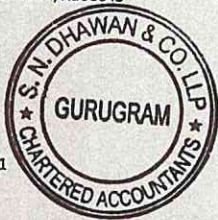
|   | Notes | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---|-------|--------------------------------------|--------------------------------------|
| <b>Revenue from operations</b>  |       |                                      |                                      |
| Interest Income   | 27    | 15,969.48                            | 7,837.11                             |
| Fees and commission income  | 28    | 201.74                               | 118.86                               |
| Net gain on fair value changes  | 29    | 197.60                               | 1,005.79                             |
| <b>Total revenue from operations</b>  |       | <b>16,368.82</b>                     | <b>8,961.76</b>                      |
| Other income  | 30    | 196.24                               | 144.51                               |
| <b>Total Income</b>   |       | <b>16,565.06</b>                     | <b>9,106.27</b>                      |
| <b>Expenses</b>   |       |                                      |                                      |
| Finance costs   | 31    | 3,018.66                             | 1,916.53                             |
| Fees and commission expense   | 32    | 1,329.74                             | 671.05                               |
| Impairment on financial instruments   | 33    | 4,012.20                             | 3,411.93                             |
| Employee benefits expense   | 34    | 1,235.22                             | 839.86                               |
| Depreciation, amortization and impairment   | 35    | 108.20                               | 98.68                                |
| Other expenses  | 36    | 2,482.46                             | 1,386.69                             |
| <b>Total expenses</b>   |       | <b>12,186.48</b>                     | <b>8,324.74</b>                      |
| <b>Profit before tax</b>  |       | <b>4,378.58</b>                      | <b>781.53</b>                        |
| <b>Tax expense/ (credit):</b>   |       |                                      |                                      |
| (1) Current tax   | 47    | 1,520.76                             | 645.05                               |
| (2) Deferred tax  | 47    | (382.34)                             | (441.32)                             |
| <b>Income tax expense</b>   |       | <b>1,138.42</b>                      | <b>203.73</b>                        |
| <b>Net profit for the year</b>  |       | <b>3,240.16</b>                      | <b>577.80</b>                        |
| <b>Other comprehensive income</b>   |       |                                      |                                      |
| a) Items that will not be reclassified to profit or loss                                  |       |                                      |                                      |
| (i) Re-measurement gains on gratuity  |       | 5.53                                 | 0.52                                 |
| (ii) Net gain/loss on fair value of equity instruments through other comprehensive income |       | 227.72                               | 837.53                               |
| Income tax relating to above  |       | (58.71)                              | (210.94)                             |
| <b>Subtotal (a)</b>   |       | <b>174.54</b>                        | <b>627.11</b>                        |
| b) Items that will be reclassified to profit or loss                                      |       |                                      |                                      |
| (i) Gain/(loss) on Fair Value changes   |       | -                                    | 0.57                                 |
| Income tax relating to above item   |       | -                                    | (0.14)                               |
| <b>Subtotal (b)</b>   |       | <b>-</b>                             | <b>0.43</b>                          |
| <b>Other comprehensive income</b>   |       | <b>174.54</b>                        | <b>627.54</b>                        |
| <b>Total comprehensive income for the year</b>  |       | <b>3,414.70</b>                      | <b>1,205.34</b>                      |
| <b>Earnings per equity share (face value of Rs. 10 per share)</b>                         |       |                                      |                                      |
| Basic (Rs.)   | 37    | 4.93                                 | 0.82                                 |
| Diluted (Rs.)   |       | 4.86                                 | 0.81                                 |

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

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

*Vinesh Jain*  
 Vinesh Jain  
 Partner  
 Membership No. 087701



Place: GURUGRAM  
 Date: 22 MAY, 2023

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

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

Place: NEW YORK  
 Date: 22 MAY, 2023

*Krishan Gopal*  
 Krishan Gopal  
 (Chief Financial Officer)

Place: NEW DELHI  
 Date: 22 MAY, 2023

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

Place: NEW DELHI  
 Date: 22 MAY, 2023

*Sahib Pahwa*  
 Sahib Pahwa  
 (Company Secretary)  
 M. No. A24789  
 Place: NEW DELHI  
 Date: 22 MAY, 2023



Statement of Standalone Cash Flows for the year ended March 31, 2023  
(All Amount in Rs. In millions, unless otherwise stated)

|   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| <b>A Cash flow from operating activities:</b>   |                              |                              |
| Profit before tax   | 4,378.58                     | 781.53                       |
| Adjustments for   |                              |                              |
| Depreciation and amortisation   | 108.20                       | 98.68                        |
| Net gain on fair value changes  | (197.60)                     | (1,005.79)                   |
| Impairment on financial instruments   | 4,012.20                     | 3,603.77                     |
| Interest expense for leasing arrangements   | 26.33                        | 16.09                        |
| Effective interest rate adjustment for financial instruments  | 75.08                        | 12.76                        |
| Asset held for sale written off   | 68.88                        | 45.97                        |
| Dividend income   | (3.34)                       | -                            |
| Employee stock option/share warrant expense   | 160.41                       | 79.01                        |
| Operating profit before working capital changes   | 8,628.74                     | 3,632.02                     |
| Changes in working capital  |                              |                              |
| (Increase) in financial and other assets  | (24,670.84)                  | (17,963.79)                  |
| Increase in financial and other liabilities   | 654.01                       | 388.95                       |
| Decrease in non financial assets  | (62.10)                      | (15.03)                      |
| Increase in non financial liabilities   | 187.78                       | 35.92                        |
| Total of changes in working capital   | (23,891.15)                  | (17,553.95)                  |
| Direct taxes paid (net of refunds)  | (1,421.83)                   | (715.38)                     |
| Net cash flow generated from / (used in) operating activities (A)                                       | (16,684.24)                  | (14,637.31)                  |
| <b>B Cash flow from Investing activities:</b>   |                              |                              |
| Inflow (outflow) on account of :  |                              |                              |
| Purchase of Property, plant and equipment<br>(including capital work-in-progress)/ Intangible<br>assets | (71.44)                      | (61.62)                      |
| Purchase of investment  | (76,951.65)                  | 8,725.49                     |
| Sale of investment  | 79,996.70                    | -                            |
| Dividend Income   | 3.34                         | -                            |
| Movement of fixed deposits (net)  | (265.65)                     | (27.24)                      |
| Net cash flow from / (used in) Investing activities (B)   | 2,711.30                     | 8,636.63                     |
| <b>C Cash flow from financing activities:</b>   |                              |                              |
| Proceed from issue of equity shares (including share premium)   | 4.97                         | 2,342.62                     |
| Receipt of upfront money on share warrant   | 0.22                         | -                            |
| Proceeds from borrowings (other than debt securities)   | 31,517.19                    | 8,850.00                     |
| Repayment of borrowings (other than debt securities)  | (16,664.49)                  | (1,077.84)                   |
| Proceeds from debt securities   | 1,500.00                     | -                            |
| Repayment of debt securities  | (3,219.16)                   | -                            |
| Lease payments  | (70.67)                      | (57.10)                      |
| Net cash flow generated from financing activities (C)   | 13,068.06                    | 10,057.68                    |
| Net increase in cash and cash equivalents (A+B+C)   | (904.88)                     | 4,057.00                     |
| Cash and cash equivalents as at the beginning of the year   | 6,533.27                     | 2,476.27                     |
| Cash and cash equivalents at the end of the year  | 5,628.39                     | 6,533.27                     |

Notes:

|   | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| <b>1) Components of cash and cash equivalents</b>     |                      |                      |
| Cash on hand  | 0.05                 | 0.05                 |
| Balance with banks                                    |                      |                      |
| In current accounts and overdraft accounts            | 5,628.34             | 5,533.22             |
| deposits with original maturity of less than 3 months | -                    | 1,000.00             |
| Total cash and cash equivalents                       | 5,628.39             | 6,533.27             |

- 2) Statement of Cash Flows has been prepared under indirect method as set out in the IND AS 7 "Statement of Cash Flows"  
3) For disclosure of investing and financing activities that do not require the use of cash and cash equivalents, refer note 45.

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

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

Vinesh Jain  
Partner  
Membership No. 08770



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

Shivanshi Chatterjee  
(H. Managing Director)  
DIN: 02623460

Place: NEW YORK  
Date: 22 MAY, 2023

Krishan Gopal  
(Chief Financial Officer)

Place: NEW DELHI  
Date: 22 MAY, 2023

Yuvraj Chonakya Singh  
(H. Managing Director)  
DIN: 02401179

Place: NEW DELHI  
Date: 22 MAY, 2023

Sahib Palwa  
(Company Secretary)  
M. No. A24789

Place: NEW DELHI  
Date: 22 MAY, 2023

Place: GURUGRAM  
Date: 22 MAY, 2023



**DVMI Finance Private Limited**  
Statement of Changes in Equity for the year ended March 31, 2023  
(All Amount in Rs. In millions, unless otherwise stated)

**A. Equity share capital (refer note 25)**

|  | Number       | INR Millions |
|--|--------------|--------------|
| For the year ended 31 March 2023                               |              |              |
| Equity shares of INR 10 each issued, subscribed and fully paid | 71,23,93,401 | 6,567.00     |
| At 1 April 2022  |              |              |
| Changes in Equity Share Capital due to prior period errors     |              |              |
| Restated balance at 1 April 2022                               | 71,23,93,401 | 6,567.00     |
| Issue of share capital (Note 25)                               | 74,741       | 0.75         |
| At 31 March 2023   | 71,24,68,142 | 6,567.75     |

|  | Number       | INR Millions |
|--|--------------|--------------|
| For the year ended 31 March 2022                               |              |              |
| Equity shares of INR 10 each issued, subscribed and fully paid | 69,93,50,933 | 6,436.58     |
| At 1 April 2021  |              |              |
| Changes in Equity Share Capital due to prior period errors     |              |              |
| Restated balance at 1 April 2021                               | 69,93,50,933 | 6,436.58     |
| Issue of share capital   | 1,30,42,468  | 130.42       |
| At 31 March 2022   | 71,23,93,401 | 6,567.00     |

| Particulars  | Reserves and Surplus                   |                    |   |                        | Other Comprehensive Income |   |                   |   | Total other equity |   |                              |                                  |
|--|--|--------------------|---|------------------------|----------------------------|---|-------------------|---|--------------------|---|------------------------------|----------------------------------|
|  | Statutory reserve w/s 45-1C of RBI Act | Securities premium | Share based payment outstanding reserve | Share warrant reserves | Capital redemption reserve | Upfront monies received on Share warrants | Retained earnings | Remeasurement gain/(loss) on defined benefit plan |                    | Gain/(loss) on Fair Value changes (Debt and Equity) | Realised Gain on Investments | Total other comprehensive income |
| Balance as on April 1, 2021                              | 977.46                                 | 23,495.35          | 140.95                                  | -                      | 81.21                      | -   | 3,688.30          | 0.78  | 33.27              | -   | 34.05                        | 28,417.32                        |
| Profit for the year                                      | -                                      | -                  | -                                       | -                      | -                          | -   | 577.80            | -   | -                  | -   | -                            | 577.80                           |
| Other Comprehensive Income for the year                  | -                                      | -                  | -                                       | -                      | -                          | -   | -                 | 0.39  | 610.18             | 15.97   | 627.54                       | 627.94                           |
| Transfer to special reserve                              | 115.56                                 | -                  | -                                       | -                      | -                          | -   | (115.56)          | -   | -                  | -   | -                            | -                                |
| Share options exercised during the year                  | -                                      | -                  | 46.07                                   | -                      | -                          | -   | -                 | -   | -                  | -   | -                            | 46.07                            |
| Upfront Monies on Share Warrant received during the year | -                                      | -                  | -                                       | -                      | -                          | 0.50                                      | -                 | -   | -                  | -   | -                            | 0.50                             |
| Transfer to Share Warrant reserve                        | -                                      | -                  | -                                       | 32.44                  | -                          | -   | -                 | -   | -                  | -   | -                            | 32.44                            |
| Premium on issue of equity shares                        | -                                      | 2,212.20           | -                                       | -                      | -                          | -   | -                 | -   | -                  | -   | -                            | 2,212.20                         |
| Balance as on March 31, 2022                             | 1,093.02                               | 25,707.55          | 187.02                                  | 32.44                  | 81.21                      | 0.50                                      | 4,150.54          | 1.17  | 643.45             | 15.97   | 661.59                       | 31,913.87                        |
| Profit for the year                                      | -                                      | -                  | -                                       | -                      | -                          | -   | 3,240.16          | -   | -                  | -   | -                            | 3,240.16                         |
| Other Comprehensive Income for the year                  | -                                      | -                  | -                                       | -                      | -                          | -   | -                 | 4.14  | 170.40             | -   | 174.54                       | 174.54                           |
| Transfer to special reserve                              | 648.03                                 | -                  | -                                       | -                      | -                          | -   | (648.03)          | -   | -                  | -   | -                            | -                                |
| Share options granted during the year                    | -                                      | -                  | 121.09                                  | -                      | -                          | -   | -                 | -   | -                  | -   | -                            | 121.09                           |
| Share options exercised during the year                  | -                                      | -                  | (3.04)                                  | -                      | -                          | -   | -                 | -   | -                  | -   | -                            | (3.04)                           |
| Upfront Monies on Share Warrant received during the year | -                                      | -                  | -                                       | -                      | -                          | 0.22                                      | -                 | -   | -                  | -   | -                            | 0.22                             |
| Transfer to Share Warrant reserve                        | -                                      | -                  | -                                       | 42.35                  | -                          | -   | -                 | -   | -                  | -   | -                            | 42.35                            |
| Premium on issue of equity shares                        | -                                      | 4.22               | -                                       | -                      | -                          | -   | -                 | -   | -                  | -   | -                            | 4.22                             |
| Balance as on March 31, 2023                             | 1,741.05                               | 25,711.77          | 305.07                                  | 74.80                  | 81.21                      | 0.72                                      | 6,742.67          | 5.31  | 813.85             | 16.97   | 836.13                       | 35,493.42                        |

See accompanying notes forming part of the standalone financial statement.

In terms of our report attached

For S.N. Dhawan & CO LLP  
Firm Registration No. 000050N/V500045  
Chartered Accountants



**S.N. Dhawan**  
Vinesh Jain  
Partner  
Membership No. 087701

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

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

Place: **NEW YORK**  
Date: **22 MAY, 2023**

**Yrishaan Goobal**  
(Chief Financial Officer)

Place: **NEW DELHI**  
Date: **22 MAY, 2023**

**Yuvraj Chankya Singh**  
(Jt. Managing Director)  
DIN: 02601179

Place: **NEW DELHI**  
Date: **22 MAY, 2023**

**Sahib Pahwa**  
(Company Secretary)  
M. No. 24789  
Place: **NEW DELHI**  
Date: **22 MAY, 2023**

**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2023**

**1 Corporate Information**

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

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

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

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 May, 2023.

**2 Basis of preparation of Financial Statements**

**a) Statement of compliance**

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

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

**b) Basis of preparation and presentation**

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

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the millions, except when otherwise indicated.

**c) Basis of measurement**

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

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

**d) Presentation of financial statements**

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

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

**3.1 Summary of significant accounting policies**

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

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

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

**i. Business Model Assessment**

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





**ii. Impairment of financial assets**

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

**iii. Share-based payments**

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

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

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

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

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

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

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

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

**b) Cash and cash equivalents**

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

**c) Revenue recognition**

**i. Interest income**

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

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

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

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

**ii. Income other than interest**

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

**A. Fee and commission income**

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



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

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

**C. Other Income**

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

**D. Dividend Income**

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

**d) Property, plant and equipment**

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

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

**e) Intangible Assets**

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

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

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

**f) Depreciation and amortization**

**Depreciation**

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

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

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

Salvage Value of the assets has been taken five percent of Original Cost (except intangible assets) as prescribed in Schedule II.

Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

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

**Amortization**

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

**g) Impairment of non-financial assets**

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





**h) Leases**

**i. Company as a lessee:**

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

- The contract involves the use of an identified asset
- The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

**ii. Measurement and recognition:**

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

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

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

**Short term Lease:**

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

**iii. Company as a lessor:**

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

**i) Provisions**

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

**j) Contingent liabilities and assets**

**i. Contingent liabilities**

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

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

Contingent liabilities are reviewed at each balance sheet date.

**ii. Contingent assets**

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

**k) Employee benefits**

**i. Defined contribution plan**

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

**ii. Defined benefit plan**

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

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

Past service costs are recognised in statement of profit or loss on the earlier of: The date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.



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**Notes to the standalone financial statements for the year ended March 31, 2023**

**iii. Compensated absences**

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

**i) Foreign currencies**

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

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

**m) Taxes**

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

**Current tax**

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

**Deferred tax**

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

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

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

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

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

**n) Earning per share**

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**o) Financial instruments**

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

**i. Financial Assets**

**A. Initial recognition and measurement**

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

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

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

**B. Classification and subsequent measurement**

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

For the purpose of subsequent measurement, financial assets are classified in three categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument and equity instruments at fair value through profit or loss(FVTPL)





**C. Debt instruments at amortised costs**

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

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

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

**D. Debt instruments at FVTOCI**

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

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

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

**E. Debt instruments at FVTPL**

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

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

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

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

The losses arising from impairment are recognised in the statement of profit and loss.

**F. Derecognition**

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

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

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

**ii. Equity Investments and Mutual funds**

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

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



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**Notes to the standalone financial statements for the year ended March 31, 2023**

**iii. Financial Liabilities**

**A. Initial recognition and measurement**

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

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

**B. Loans, Debenture and borrowings**

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

**C. Financial liabilities subsequently measured at amortised cost**

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

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

**D. Financial guarantee contracts**

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

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

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

**E. Derecognition of financial liabilities**

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

**G. Reclassification of financial assets and liabilities**

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

**H. Fair value measurement**

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

In the principal market for the asset or liability, or

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.





**I. Impairment of financial assets**

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

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

**Stage I**

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

**Stage II**

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

**Stage III**

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

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

**ii. The calculation of ECLs**

The mechanics of the ECL calculation involve the use of following key elements:

**Probability of default (PD)** - The probability of default is an estimate of the likelihood of default over a given time horizon (12-month or lifetime, depending upon the stage of the asset). PD estimation is done based on historical internal data available with the Company.

**Exposure at default (EAD)** - It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs. The outstanding balance as at reporting date is considered as EAD by the Company. Considering the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

**Loss given default (LGD)** - It represents an estimate of the loss expected to be incurred when the event of default occurs. The Company uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

**iii. Definition of Default and cure**

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

Classification of accounts into Stage II is done when there is a significant increase in credit risk since initial recognition, typically when contractual repayments are more than 30 days past due.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage III or Stage II when none of the default criteria which resulted in their downgrade are present.

**iv. Forward looking information**

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

**v. Write-offs**

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

**vi. Collateral repossessed**

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

**p) Share based payments**

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

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

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

**q) Segment reporting**

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



**r) Interest in Subsidiaries and associate entities**

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

**s) Borrowing Cost**

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

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

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

**3.2 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015, applicable from 1 April, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**4 Cash and cash equivalents**

|   | As at March 31,<br>2023 | As at March 31,<br>2022 |
|---|-------------------------|-------------------------|
| Cash on hand  | 0.05                    | 0.05                    |
| Balance with banks                                    |                         |                         |
| - balance in current accounts and overdraft accounts  | 5,628.34                | 5,533.22                |
| Deposits with original maturity of less than 3 months | -                       | 1,000.00                |
|   | <b>5,628.39</b>         | <b>6,533.27</b>         |

**5 Bank balance other than cash and cash equivalents**

|   |               |               |
|---|---------------|---------------|
| Deposit with original maturity of more than 3 months* | 560.10        | 294.45        |
|   | <b>560.10</b> | <b>294.45</b> |

\* Deposits being lien marked against corporate credit cards and overdraft accounts or pledged as margin for credit enhancement

**6 Trade receivables**

|  |               |              |
|--|---------------|--------------|
| Considered good - Unsecured                                | 308.05        | 57.07        |
| Considered good - Secured                                  | -             | -            |
| Receivables which have significant increase in credit risk | -             | -            |
| Receivables – credit impaired                              | -             | -            |
|  | <b>308.05</b> | <b>57.07</b> |
| Less: Impairment loss allowance                            | -             | -            |
| <b>Total</b>   | <b>308.05</b> | <b>57.07</b> |

Trade receivables from related parties (see note 40)

**Trade receivables aging schedule**

**As at 31 March 2023**

| Particulars   | less than 6<br>Months | 6 months- 1<br>year | 1 -2 years | 2-3 years | More than 3 year | Total         |
|---|-----------------------|---------------------|------------|-----------|------------------|---------------|
| Undisputed Trade Receivables – considered good                                | 308.05                | -                   | -          | -         | -                | 308.05        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -                     | -                   | -          | -         | -                | -             |
| Undisputed Trade receivable – credit impaired                                 | -                     | -                   | -          | -         | -                | -             |
| Disputed Trade receivables - considered good                                  | -                     | -                   | -          | -         | -                | -             |
| Disputed Trade receivables – which have significant increase in credit risk   | -                     | -                   | -          | -         | -                | -             |
| Disputed Trade receivables – credit impaired                                  | -                     | -                   | -          | -         | -                | -             |
|   | <b>308.05</b>         | <b>-</b>            | <b>-</b>   | <b>-</b>  | <b>-</b>         | <b>308.05</b> |

**As at 31 March 2022**

| Particulars   | less than 6<br>Months | 6 months- 1<br>year | 1 -2 years | 2-3 years | More than 3 year | Total        |
|---|-----------------------|---------------------|------------|-----------|------------------|--------------|
| Undisputed Trade Receivables – considered good                                | 57.07                 | -                   | -          | -         | -                | 57.07        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -                     | -                   | -          | -         | -                | -            |
| Undisputed Trade receivable – credit impaired                                 | -                     | -                   | -          | -         | -                | -            |
| Disputed Trade receivables - considered good                                  | -                     | -                   | -          | -         | -                | -            |
| Disputed Trade receivables – which have significant increase in credit risk   | -                     | -                   | -          | -         | -                | -            |
| Disputed Trade receivables – credit impaired                                  | -                     | -                   | -          | -         | -                | -            |
|   | <b>57.07</b>          | <b>-</b>            | <b>-</b>   | <b>-</b>  | <b>-</b>         | <b>57.07</b> |

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



**DMI Finance Private Limited**  
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**(All Amount in Rs. In millions, unless otherwise stated)**

**7 Loans**

|  | As at March 31, 2023 |   |                  | As at March 31, 2022 |   |                  |
|--|----------------------|---|------------------|----------------------|---|------------------|
|  | Amortised cost       | Fair value through other comprehensive income | Total            | Amortised cost       | Fair value through other comprehensive income | Total            |
| <b>(A) Term loans</b>                            |                      |   |                  |                      |   |                  |
| Corporate loans*                                 | 12,041.06            | 137.80  | <b>12,178.86</b> | 15,680.69            | 367.90  | <b>16,048.60</b> |
| Consumer loans                                   | 59,114.03            | -   | <b>59,114.03</b> | 33,856.86            | -   | <b>33,856.86</b> |
| <b>Total (A) Gross</b>                           | <b>71,155.09</b>     | <b>137.80</b>                                 | <b>71,292.89</b> | <b>49,537.55</b>     | <b>367.90</b>                                 | <b>49,905.46</b> |
| Less: Impairment loss allowance                  | 3,945.18             | 16.38   | <b>3,961.56</b>  | 3,092.83             | 11.48   | <b>3,104.31</b>  |
| <b>Total (A) Net</b>                             | <b>67,209.91</b>     | <b>121.42</b>                                 | <b>67,331.33</b> | <b>46,444.73</b>     | <b>356.42</b>                                 | <b>46,801.15</b> |
| <b>(B)</b>                                       |                      |   |                  |                      |   |                  |
| Secured by tangible assets and intangible assets | 11,990.70            | 137.80  | 12,128.50        | 15,680.69            | 367.90  | 16,048.60        |
| Unsecured  | 59,164.39            | -   | 59,164.39        | 33,856.86            | -   | 33,856.86        |
| <b>Total (B) Gross</b>                           | <b>71,155.09</b>     | <b>137.80</b>                                 | <b>71,292.89</b> | <b>49,537.55</b>     | <b>367.90</b>                                 | <b>49,905.46</b> |
| Less: Impairment loss allowance                  | 3,945.18             | 16.38   | <b>3,961.56</b>  | 3,092.83             | 11.48   | <b>3,104.31</b>  |
| <b>Total (B) Net</b>                             | <b>67,209.91</b>     | <b>121.42</b>                                 | <b>67,331.33</b> | <b>46,444.73</b>     | <b>356.42</b>                                 | <b>46,801.15</b> |
| <b>(C) Sector</b>                                |                      |   |                  |                      |   |                  |
| Public sector                                    | -                    | -   | -                | -                    | -   | -                |
| Others   | 71,155.09            | 137.80  | 71,292.89        | 49,537.55            | 367.90  | 49,905.46        |
| <b>Total (C) Gross</b>                           | <b>71,155.09</b>     | <b>137.80</b>                                 | <b>71,292.89</b> | <b>49,537.55</b>     | <b>367.90</b>                                 | <b>49,905.46</b> |
| Less: Impairment loss allowance                  | 3,945.18             | 16.38   | <b>3,961.56</b>  | 3,092.83             | 11.48   | <b>3,104.31</b>  |
| <b>Total (C) Net</b>                             | <b>67,209.91</b>     | <b>121.42</b>                                 | <b>67,331.33</b> | <b>46,444.73</b>     | <b>356.42</b>                                 | <b>46,801.15</b> |
| <b>(D)</b>                                       |                      |   |                  |                      |   |                  |
| In India   | 71,155.09            | 137.80  | 71,292.89        | 49,537.55            | 367.90  | 49,905.46        |
| Outside India                                    | -                    | -   | -                | -                    | -   | -                |
| <b>Total (D) Gross</b>                           | <b>71,155.09</b>     | <b>137.80</b>                                 | <b>71,292.89</b> | <b>49,537.55</b>     | <b>367.90</b>                                 | <b>49,905.46</b> |
| Less: Impairment loss allowance                  | 3,945.18             | 16.38   | <b>3,961.56</b>  | 3,092.83             | 11.48   | <b>3,104.31</b>  |
| <b>Total (D) Net</b>                             | <b>67,209.91</b>     | <b>121.42</b>                                 | <b>67,331.33</b> | <b>46,444.73</b>     | <b>356.42</b>                                 | <b>46,801.15</b> |

\*Corporate loan portfolio includes loan outstanding from employees of Rs. 0.32 millions (previous year: Rs. 1.72 millions)

**Notes:**

- i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- ii) Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or receivables and/or pledge of shares/debenture units and other securities.
- iii) Corporate loan portfolio includes non-convertible debentures of Rs. 2,338.58 millions (previous year: Rs. 3,774.76 millions)
- iv) Disclosure in respect to loan given to Key management personnel (KMP)

| Type of Borrower               | Amount of loan or advance in the nature of loan outstanding |                      | Percentage to the total loans and advances in the nature of loans |                      |
|--------------------------------|---|----------------------|---|----------------------|
|                                | As at March 31, 2023  | As at March 31, 2022 | As at March 31, 2023  | As at March 31, 2022 |
| Key management personnel (KMP) | -   | -                    | -   | -                    |





**DMI Finance Private Limited**  
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**7.1 Impairment allowance for loans and advances to borrowers**

Summary of loans by stage distribution is as follows:

| Consumer loans                  | March 31, 2023 |          |         |           | March 31, 2022 |         |         |           |
|---------------------------------|----------------|----------|---------|-----------|----------------|---------|---------|-----------|
|                                 | Stage 1        | Stage 2  | Stage 3 | Total     | Stage 1        | Stage 2 | Stage 3 | Total     |
| Gross carrying amount           | 57,309.78      | 1,690.44 | 113.81  | 59,114.03 | 32,855.94      | 931.48  | 69.45   | 33,856.87 |
| Less: Impairment loss allowance | 619.78         | 493.24   | 113.81  | 1,226.83  | 284.20         | 228.76  | 69.45   | 582.41    |
| Net carrying amount             | 56,690.00      | 1,197.20 | -       | 57,887.20 | 32,571.74      | 702.72  | -       | 33,274.46 |

| Corporate loans                 | March 31, 2023 |          |          |           | March 31, 2022 |         |         |           |
|---------------------------------|----------------|----------|----------|-----------|----------------|---------|---------|-----------|
|                                 | Stage 1        | Stage 2  | Stage 3  | Total     | Stage 1        | Stage 2 | Stage 3 | Total     |
| Gross carrying amount           | 8,153.99       | 1,784.28 | 2,240.59 | 12,178.86 | 15,080.82      | 192.95  | 774.83  | 16,048.60 |
| Less: Impairment loss allowance | 256.96         | 1,338.45 | 1,139.32 | 2,734.73  | 1,855.56       | 25.29   | 641.05  | 2,521.90  |
| Net carrying amount             | 7,897.03       | 445.83   | 1,101.27 | 9,444.13  | 13,225.26      | 167.67  | 133.78  | 13,526.70 |

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

| Credit substitutes and compulsory convertible debentures | March 31, 2023 |         |         |          | March 31, 2022 |         |         |          |
|--|----------------|---------|---------|----------|----------------|---------|---------|----------|
|  | Stage 1        | Stage 2 | Stage 3 | Total    | Stage 1        | Stage 2 | Stage 3 | Total    |
| Gross carrying amount                                    | 3,462.35       | -       | 351.99  | 3,814.34 | 4,057.64       | -       | 351.99  | 4,409.63 |
| Less: Impairment loss allowance                          | 765.18         | -       | 351.99  | 1,117.17 | 1,193.33       | -       | 319.85  | 1,513.18 |
| Net carrying amount                                      | 2,697.17       | -       | -       | 2,697.17 | 2,864.31       | -       | 32.13   | 2,896.45 |

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

| Consumer loans  | March 31, 2023 |          |         |           | March 31, 2022 |          |         |           |
|---|----------------|----------|---------|-----------|----------------|----------|---------|-----------|
|   | Stage 1        | Stage 2  | Stage 3 | Total     | Stage 1        | Stage 2  | Stage 3 | Total     |
| Gross carrying amount opening balance   | 32,855.94      | 931.48   | 69.45   | 33,856.87 | 17,909.93      | 1,343.73 | -       | 19,253.66 |
| New Assets originated, Netted off for repayments and loans derecognised during the year | 24,405.79      | 882.63   | (31.26) | 25,257.16 | 15,164.63      | (574.39) | 12.96   | 14,603.20 |
| Transfers from Stage 1  | (564.23)       | 491.51   | 72.72   | -         | (235.19)       | 193.76   | 41.43   | -         |
| Transfers from Stage 2  | 603.43         | (617.45) | 14.02   | -         | 16.56          | (31.62)  | 15.06   | -         |
| Transfers from Stage 3  | 8.85           | 2.27     | (11.12) | -         | -              | -        | -       | -         |
| Gross carrying amount closing balance   | 57,309.78      | 1,690.44 | 113.81  | 59,114.03 | 32,855.94      | 931.48   | 69.45   | 33,856.86 |

| Corporate loans   | March 31, 2023 |          |          |            | March 31, 2022 |         |          |           |
|---|----------------|----------|----------|------------|----------------|---------|----------|-----------|
|   | Stage 1        | Stage 2  | Stage 3  | Total      | Stage 1        | Stage 2 | Stage 3  | Total     |
| Gross carrying amount opening balance   | 15,080.82      | 192.95   | 774.83   | 16,048.60  | 12,794.98      | -       | 1,071.56 | 13,866.54 |
| New Assets originated, Netted off for repayments and loans derecognised during the year | (3,727.77)     | (17.25)  | (124.72) | (3,869.74) | 2,478.79       | -       | (296.73) | 2,182.06  |
| Transfers from Stage 1  | (3,199.06)     | 1,608.58 | 1,590.48 | -          | (192.95)       | 192.95  | -        | -         |
| Transfers from Stage 2  | -              | -        | -        | -          | -              | -       | -        | -         |
| Transfers from Stage 3  | -              | -        | -        | -          | -              | -       | -        | -         |
| Gross carrying amount closing balance   | 8,153.99       | 1,784.28 | 2,240.59 | 12,178.86  | 15,080.82      | 192.95  | 774.83   | 16,048.60 |

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

| Particulars   | March 31, 2023 |         |         |          | March 31, 2022 |          |         |          |
|---|----------------|---------|---------|----------|----------------|----------|---------|----------|
|   | Stage 1        | Stage 2 | Stage 3 | Total    | Stage 1        | Stage 2  | Stage 3 | Total    |
| Gross carrying amount opening balance   | 4,057.64       | -       | 351.99  | 4,409.63 | 2,265.67       | 280.64   | 351.99  | 2,898.30 |
| New Assets originated, Netted off for repayments and loans derecognised during the year | (595.29)       | -       | -       | (595.29) | 1,511.33       | -        | -       | 1,511.33 |
| Transfers from Stage 1  | -              | -       | -       | -        | -              | -        | -       | -        |
| Transfers from Stage 2  | -              | -       | -       | -        | 280.64         | (280.64) | -       | -        |
| Transfers from Stage 3  | -              | -       | -       | -        | -              | -        | -       | -        |
| Gross carrying amount closing balance   | 3,462.35       | -       | 351.99  | 3,814.34 | 4,057.64       | -        | 351.99  | 4,409.63 |



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

| Consumer loans  | March 31, 2023 |         |            |            | March 31, 2022 |          |            |            |
|---|----------------|---------|------------|------------|----------------|----------|------------|------------|
|   | Stage 1        | Stage 2 | Stage 3    | Total      | Stage 1        | Stage 2  | Stage 3    | Total      |
| Expected credit loss allowance opening balance  | 284.20         | 228.76  | 69.45      | 582.41     | 82.47          | 321.54   | -          | 404.01     |
| Change in ECL due to change in ECL model rate   | 124.06         | 78.09   | -          | 202.15     | 10.86          | 47.00    | 52.69      | 110.55     |
| New Assets originated, Netted off for repayments and loans derecognised during the year | 421.02         | 62.86   | 3,184.52   | 3,668.40   | 279.75         | (172.17) | 1,372.30   | 1,479.88   |
| Transfers from Stage 1  | (216.13)       | 143.42  | 72.71      | -          | (89.02)        | 47.59    | 41.43      | -          |
| Transfers from Stage 2  | 6.53           | (20.55) | 14.02      | -          | 0.14           | (15.20)  | 15.06      | -          |
| Transfers from Stage 3  | 0.10           | 0.66    | (0.76)     | -          | -              | -        | -          | -          |
| Write Offs  | -              | -       | (3,226.13) | (3,226.13) | -              | -        | (1,412.03) | (1,412.03) |
| Expected credit loss allowance closing balance  | 619.78         | 493.24  | 113.81     | 1,226.83   | 284.20         | 228.76   | 69.45      | 582.41     |

| Corporate loans   | March 31, 2023 |          |          |          | March 31, 2022 |         |         |          |
|---|----------------|----------|----------|----------|----------------|---------|---------|----------|
|   | Stage 1        | Stage 2  | Stage 3  | Total    | Stage 1        | Stage 2 | Stage 3 | Total    |
| Expected credit loss allowance opening balance  | 1,855.56       | 25.29    | 641.05   | 2,521.90 | 981.04         | -       | 637.43  | 1,618.47 |
| Change in ECL due to change in ECL model rate   | 93.21          | -        | 14.26    | 107.47   | 543.93         | -       | 30.43   | 574.36   |
| New Assets originated, Netted off for repayments and loans derecognised during the year | 160.89         | (13.95)  | (42.17)  | 105.37   | 355.88         | -       | (26.81) | 329.07   |
| Transfers from Stage 1  | (1,852.69)     | 1,326.51 | 526.18   | -        | (25.29)        | 25.29   | -       | -        |
| Transfers from Stage 2  | -              | -        | -        | -        | -              | -       | -       | -        |
| Transfers from Stage 3  | -              | -        | -        | -        | -              | -       | -       | -        |
| Write Offs  | -              | -        | -        | -        | -              | -       | -       | -        |
| Expected credit loss allowance closing balance  | 256.96         | 1,338.45 | 1,139.32 | 2,734.73 | 1,855.56       | 25.29   | 641.05  | 2,521.90 |

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

| Particulars  | March 31, 2023 |         |         |          | March 31, 2022 |         |         |          |
|--|----------------|---------|---------|----------|----------------|---------|---------|----------|
|  | Stage 1        | Stage 2 | Stage 3 | Total    | Stage 1        | Stage 2 | Stage 3 | Total    |
| Expected credit loss allowance opening balance   | 1,193.33       | -       | 319.85  | 1,513.18 | 342.26         | 2.57    | 250.29  | 595.12   |
| Change in ECL due to change in ECL model rate  | 273.38         | -       | 32.13   | 305.51   | 531.15         | -       | 69.56   | 600.71   |
| ECL on new assets originated, netted off for repayments and loans derecognised during the year | (701.53)       | -       | -       | (701.53) | 317.35         | -       | -       | 317.35   |
| Transfers from Stage 1   | -              | -       | -       | -        | -              | -       | -       | -        |
| Transfers from Stage 2   | -              | -       | -       | -        | 2.57           | (2.57)  | -       | -        |
| Transfers from Stage 3   | -              | -       | -       | -        | -              | -       | -       | -        |
| Write Offs   | -              | -       | -       | -        | -              | -       | -       | -        |
| Expected credit loss allowance closing balance   | 765.18         | -       | 351.99  | 1,117.17 | 1,193.33       | -       | 319.85  | 1,513.18 |

**7.2 Collateral**

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





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**8 Investments**

| As at March 31, 2023   | Amortised cost  | At fair value through profit and loss | At fair value through other comprehensive income | Subtotal        | Others*       | Total           |
|--|-----------------|---------------------------------------|--|-----------------|---------------|-----------------|
| <b>(A) Equity instruments</b>  |                 |                                       |  |                 |               |                 |
| <b>Investments in Subsidiaries / Associates</b>  |                 |                                       |  |                 |               |                 |
| Equity shares in DMI Management Services Private Limited   | -               | -                                     | -  | -               | 0.96          | 0.96            |
| Equity shares in DMI Alternatives Private Limited  | -               | -                                     | -  | -               | 4.26          | 4.26            |
| Equity shares in DMI Capital Private Limited   | -               | -                                     | -  | -               | 1.80          | 1.80            |
| Equity shares in Appnit Technologies Private Limited   | -               | -                                     | -  | -               | 463.03        | 463.03          |
| <b>Subtotal</b>  | <b>-</b>        | <b>-</b>                              | <b>-</b>   | <b>-</b>        | <b>470.05</b> | <b>470.05</b>   |
| <b>Others</b>  |                 |                                       |  |                 |               |                 |
| Equity shares in DMI Consumer Credit Private Limited   | -               | -                                     | 3.48   | 3.48            | -             | 3.48            |
| Equity shares in Flash Electronics Private Limited   | -               | -                                     | 818.97   | 818.97          | -             | 818.97          |
| Equity shares in Alchemist Asset Reconstruction Company Limited  | -               | -                                     | 215.76   | 215.76          | -             | 215.76          |
| Equity shares in Azad Engineering Private Limited  | -               | 227.04                                | -  | 227.04          | -             | 227.04          |
| Equity shares in Radiant Polymers Private Limited  | -               | -                                     | 100.10   | 100.10          | -             | 100.10          |
| <b>Subtotal</b>  | <b>-</b>        | <b>227.04</b>                         | <b>1,138.31</b>                                  | <b>1,365.35</b> | <b>-</b>      | <b>1,365.35</b> |
| <b>Preference shares</b>   |                 |                                       |  |                 |               |                 |
| <b>Investments in Subsidiaries / Associates</b>  |                 |                                       |  |                 |               |                 |
| Compulsorily convertible preference shares in DMI Capital Private Limited  | -               | 385.56                                | -  | 385.56          | -             | 385.56          |
| Compulsorily convertible preference shares in Appnit Technologies Private Limited                                | -               | -                                     | -  | -               | 21.97         | 21.97           |
| <b>Subtotal</b>  | <b>-</b>        | <b>385.56</b>                         | <b>-</b>   | <b>385.56</b>   | <b>21.97</b>  | <b>407.53</b>   |
| <b>Compulsory or Optionally Convertible Debentures</b>   |                 |                                       |  |                 |               |                 |
| 7,500 Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs 100,000 each | -               | -                                     | 1,560.00   | 1,560.00        | -             | 1,560.00        |
| 600 Compulsory convertible debentures in Biorad Medisys Private Limited of face value of Rs. 10,00,000 each      | -               | -                                     | 600.27   | 600.27          | -             | 600.27          |
| <b>Subtotal</b>  | <b>-</b>        | <b>-</b>                              | <b>2,160.27</b>                                  | <b>2,160.27</b> | <b>-</b>      | <b>2,160.27</b> |
| <b>Credit Substitutes</b>  |                 |                                       |  |                 |               |                 |
| 805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up                      | 943.72          | -                                     | 358.36   | 1,302.08        | -             | 1,302.08        |
| 629 units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up                  | 172.92          | -                                     | 179.07   | 351.99          | -             | 351.99          |
| <b>Subtotal</b>  | <b>1,116.64</b> | <b>-</b>                              | <b>537.43</b>                                    | <b>1,654.07</b> | <b>-</b>      | <b>1,654.07</b> |
| Investment in Pass through certificates(unquoted)  | -               | 3,515.31                              | -  | 3,515.31        | -             | 3,515.31        |
| <b>Other Instruments</b>   |                 |                                       |  |                 |               |                 |
| Security receipts in Alchemist XV Trust  | -               | -                                     | -  | -               | -             | -               |
| Units of DMI AIF Special Opportunities Scheme  | -               | -                                     | 9.73   | 9.73            | -             | 9.73            |
| <b>Subtotal</b>  | <b>-</b>        | <b>-</b>                              | <b>9.73</b>                                      | <b>9.73</b>     | <b>-</b>      | <b>9.73</b>     |
| <b>Total (A) Gross</b>   | <b>1,116.64</b> | <b>4,127.91</b>                       | <b>3,845.74</b>                                  | <b>9,090.29</b> | <b>492.02</b> | <b>9,582.31</b> |
| Less: Impairment loss allowance  | 668.70          | -                                     | 448.47   | 1,117.17        | -             | 1,117.17        |
| <b>Total (A) Net</b>   | <b>447.94</b>   | <b>4,127.91</b>                       | <b>3,397.27</b>                                  | <b>7,973.12</b> | <b>492.02</b> | <b>8,465.14</b> |
| <b>(B) Investments outside India</b>   |                 |                                       |  |                 |               |                 |
| Investments in India   | 1,116.64        | 4,127.91                              | 3,845.74   | 9,090.29        | 492.02        | 9,582.31        |
| <b>Total (B) Gross</b>   | <b>1,116.64</b> | <b>4,127.91</b>                       | <b>3,845.74</b>                                  | <b>9,090.29</b> | <b>492.02</b> | <b>9,582.31</b> |
| Less: Impairment loss allowance  | 668.70          | -                                     | 448.47   | 1,117.17        | -             | 1,117.17        |
| <b>Total (B) Net</b>   | <b>447.94</b>   | <b>4,127.91</b>                       | <b>3,397.27</b>                                  | <b>7,973.12</b> | <b>492.02</b> | <b>8,465.14</b> |

\* At cost



**DMI Finance Private Limited**  
Notes to the standalone financial statements  
(All Amount in Rs. In millions, unless otherwise stated)

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

\* At cost

Notes:

- (i) For movement of Impairment loss allowance refer note 7.1  
(ii) Information of subsidiaries and associates

| Name of entity   | Principal Activity                             | Place of Incorporation | Principal place of business | As at March 31, 2023 | As at March 31, 2022 |
|--|--|------------------------|-----------------------------|----------------------|----------------------|
| <b>Subsidiaries</b>                                      |  |                        |                             |                      |                      |
| DMI Management Services Private Limited                  | Financial Service (Asset Management)           | Delhi                  | Delhi                       | 100.00%              | 100.00%              |
| DMI Capital Private Limited                              | Financial Service (Merchant Banking)           | Delhi                  | Delhi                       | 100.00%              | 100.00%              |
| Appnit Technologies Private Limited (w.e.f. 20 Jan 2022) | Financial Services (Prepaid Instrument Issuer) | Lucknow, Uttar Pradesh | NOIDA, Uttar Pradesh        | 94.04%               | 94.04%               |
| <b>Associate</b>   |  |                        |                             |                      |                      |
| DMI Alternatives Private Limited                         | Investment Manager                             | Delhi                  | Delhi                       | 49.00%               | 49.00%               |





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**9 Other financial assets (at amortized cost)**

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| Security deposit                             | 26.14                   | 25.55                   |
| First loss default guarantee recoverable     | 133.13                  | 90.54                   |
| Interest accrued on fixed deposits           | 11.03                   | 13.74                   |
| Money with partners pending for disbursement | -                       | 898.89                  |
| Recoverable from partner                     | 104.24                  | -                       |
| Unbilled revenue and recoverables            | 815.01                  | 579.36                  |
| <b>Total</b>                                 | <b>1,089.55</b>         | <b>1,608.08</b>         |

**10 Current tax assets**

|                          |               |               |
|--------------------------|---------------|---------------|
| Advance Income-tax (net) | 185.78        | 284.71        |
| <b>Total</b>             | <b>185.78</b> | <b>284.71</b> |

**11 Deferred tax assets**

|  |                 |                 |
|--|-----------------|-----------------|
| <b>Deferred tax liability</b>  |                 |                 |
| Fair value of financial instruments  | 402.77          | 455.81          |
| Difference in income recognition on unrealized gain on mutual fund investments | -               | 18.31           |
| <b>Total deferred tax liabilities</b>  | <b>402.77</b>   | <b>474.12</b>   |
| <b>Deferred tax asset</b>  |                 |                 |
| Provision for employee benefits  | 29.11           | 19.45           |
| Difference in written down value as per Companies Act and Income-tax Act       | 14.54           | 11.30           |
| EIR adjustment for processing fee  | 260.36          | 77.29           |
| Liability against leases   | 11.05           | 9.91            |
| Impairment loss allowance  | 1,200.30        | 1,131.17        |
| Notional Interest on Market linked debentures                                  | 14.57           | -               |
| Carry forward of interest disallowed u/s 94B                                   | -               | 28.53           |
| <b>Gross deferred tax asset</b>  | <b>1,529.93</b> | <b>1,277.65</b> |
| <b>Net Deferred Tax (Liability)/ Asset</b>                                     | <b>1,127.16</b> | <b>803.53</b>   |

| Movement of deferred tax assets  | As at<br>March 31, 2022 | (Charged)/ credited<br>to statement of<br>profit and loss | (Charged)/ credited<br>to other<br>comprehensive<br>income | As at<br>March 31, 2023 |
|--|-------------------------|---|--|-------------------------|
| <b>Liabilities</b>   |                         |   |  |                         |
| Fair value of financial instruments  | 455.81                  | (110.36)  | 57.32  | 402.77                  |
| Difference in income recognition on unrealized gain on mutual fund investments | 18.31                   | (18.31)   | -  | -                       |
| <b>Deferred tax liabilities</b>  | <b>474.12</b>           | <b>(128.67)</b>   | <b>57.32</b>   | <b>402.77</b>           |
| <b>Assets</b>  |                         |   |  |                         |
| Provision for employee benefits  | 19.45                   | 11.05   | (1.39)   | 29.11                   |
| Difference in written down value as per Companies Act and Income-tax Act       | 11.30                   | 3.24  | -  | 14.54                   |
| EIR adjustment for processing fee  | 77.29                   | 183.07  | -  | 260.36                  |
| Liability against leases   | 9.91                    | 1.14  | -  | 11.05                   |
| Impairment loss allowance  | 1,131.17                | 69.13   | -  | 1,200.30                |
| Notional Interest on Market linked debentures                                  | -                       | 14.57   | -  | 14.57                   |
| Carry forward of interest disallowed u/s 94B                                   | 28.53                   | (28.53)   | -  | -                       |
| <b>Deferred Tax Assets</b>   | <b>1,277.65</b>         | <b>253.67</b>   | <b>(1.39)</b>  | <b>1,529.93</b>         |
| <b>Net Deferred tax asset</b>  | <b>803.53</b>           | <b>382.34</b>   | <b>(58.71)</b>   | <b>1,127.16</b>         |

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



DMI Finance Private Limited  
Notes to the standalone financial statements  
(All Amount in Rs. In millions, unless otherwise stated)

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

|                                 | Furniture and fixtures | Computers | Vehicles | Office equipment | Lease hold improvements | Total  |
|---------------------------------|------------------------|-----------|----------|------------------|-------------------------|--------|
| <b>Gross carrying amount</b>    |                        |           |          |                  |                         |        |
| Balance as at March 31, 2021    | 1.88                   | 37.31     | 5.36     | 31.86            | 141.24                  | 217.65 |
| Additions                       | -                      | 19.54     | -        | 0.47             | -                       | 20.01  |
| Disposals                       | (0.04)                 | -         | -        | (0.78)           | (3.97)                  | (4.79) |
| Balance as at March 31, 2022    | 1.84                   | 56.85     | 5.36     | 32.04            | 137.27                  | 233.36 |
| Additions                       | 0.10                   | 29.19     | -        | 6.76             | 43.98                   | 80.03  |
| Disposals                       | -                      | (0.12)    | -        | -                | -                       | (0.12) |
| Balance as at March 31, 2023    | 1.94                   | 85.92     | 5.36     | 38.80            | 181.25                  | 313.27 |
| <b>Accumulated depreciation</b> |                        |           |          |                  |                         |        |
| Balance as at March 31, 2021    | 0.90                   | 27.54     | 4.27     | 22.42            | 46.37                   | 101.50 |
| Charge for the year             | 0.25                   | 11.28     | 0.33     | 4.08             | 15.81                   | 31.75  |
| Disposals                       | (0.03)                 | -         | -        | (0.27)           | (3.77)                  | (4.07) |
| Balance as at March 31, 2022    | 1.12                   | 38.82     | 4.60     | 26.23            | 58.41                   | 129.18 |
| Charge for the year             | 0.21                   | 18.34     | 0.20     | 5.08             | 19.81                   | 43.64  |
| Disposals                       | -                      | (0.08)    | -        | -                | -                       | (0.08) |
| Balance as at March 31, 2023    | 1.33                   | 57.08     | 4.80     | 31.31            | 78.22                   | 172.74 |
| <b>Net carrying amount</b>      |                        |           |          |                  |                         |        |
| As at March 31, 2021            | 0.98                   | 9.77      | 1.09     | 9.44             | 94.87                   | 116.15 |
| As at March 31, 2022            | 0.72                   | 18.03     | 0.76     | 5.81             | 78.86                   | 104.18 |
| As at March 31, 2023            | 0.61                   | 28.84     | 0.56     | 7.49             | 103.03                  | 140.53 |

Notes:

- i) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 14 - Right of use assets.  
ii) During the current financial year and in the previous financial year there is no revaluation of Property, plants and equipment.  
iii) There is no proceeding Initiated against the Company for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

13 (a) Capital work in progress

|                                | As at                       |                |           |                   |       |
|--------------------------------|-----------------------------|----------------|-----------|-------------------|-------|
|                                | March 31, 2023              | March 31, 2022 |           |                   |       |
| Capital work in progress       | -                           | 23.27          |           |                   |       |
| As at 31 March, 2023           | -                           |                |           |                   |       |
|                                | Amount in CWIP for a period |                |           |                   |       |
|                                | Less than 1 year            | 1-2 years      | 2-3 years | More than 3 years | Total |
| Projects in progress           | -                           | -              | -         | -                 | -     |
| Projects temporarily suspended | -                           | -              | -         | -                 | -     |
| As at 31 March, 2022           | -                           |                |           |                   |       |
|                                | Amount in CWIP for a period |                |           |                   |       |
|                                | Less than 1 year            | 1-2 years      | 2-3 years | More than 3 years | Total |
| Projects in progress           | 23.27                       | -              | -         | -                 | 23.27 |
| Projects temporarily suspended | -                           | -              | -         | -                 | -     |
|                                | 23.27                       | -              | -         | -                 | 23.27 |

Contractual commitments to be executed on capital account amounting to Rs. 4.05 millions (previous year: 18.25 millions)

13 (b) Intangible assets under development

|                                     | As at  |                |           |                   |       |
|-------------------------------------|--|----------------|-----------|-------------------|-------|
|                                     | March 31, 2023   | March 31, 2022 |           |                   |       |
| Intangible assets under development | 8.78   | -              |           |                   |       |
| As at 31 March, 2023                | 8.78   |                |           |                   |       |
|                                     | Amount in Intangible assets under development for a period |                |           |                   |       |
|                                     | Less than 1 year   | 1-2 years      | 2-3 years | More than 3 years | Total |
| Projects in progress                | 8.78   | -              | -         | -                 | 8.78  |
| Projects temporarily suspended      | -  | -              | -         | -                 | -     |
|                                     | 8.78   | -              | -         | -                 | 8.78  |
| As at 31 March, 2022                | -  |                |           |                   |       |
|                                     | Amount in Intangible assets under development for a period |                |           |                   |       |
|                                     | Less than 1 year   | 1-2 years      | 2-3 years | More than 3 years | Total |
| Projects in progress                | -  | -              | -         | -                 | -     |
| Projects temporarily suspended      | -  | -              | -         | -                 | -     |
|                                     | -  | -              | -         | -                 | -     |

Note:

Contractual commitments to be executed on capital account amounting to Rs. 2.90 millions. (previous year: Nil)





**DMI Finance Private Limited**  
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**14 Right of use assets**

|                              | Right of use<br>assets | Total         |
|------------------------------|------------------------|---------------|
| <b>Gross carrying amount</b> |                        |               |
| Balance as at March 31, 2021 | 293.91                 | 293.91        |
| Additions                    | 75.08                  | 75.08         |
| Disposals                    | -                      | -             |
| Balance as at March 31, 2022 | <u>368.99</u>          | <u>368.99</u> |
| Additions                    | 10.27                  | 10.27         |
| Disposals                    | -                      | -             |
| Balance as at March 31, 2023 | <u>379.26</u>          | <u>379.26</u> |
| <b>Depreciation</b>          |                        |               |
| Balance as at March 31, 2021 | 83.20                  | 83.20         |
| Additions                    | 50.84                  | 50.84         |
| Disposals                    | -                      | -             |
| Balance as at March 31, 2022 | <u>134.04</u>          | <u>134.04</u> |
| Additions                    | 48.87                  | 48.87         |
| Disposals                    | -                      | -             |
| Balance as at March 31, 2023 | <u>182.91</u>          | <u>182.91</u> |
| <b>Net carrying amount</b>   |                        |               |
| As at March 31, 2021         | <u>210.71</u>          | <u>210.71</u> |
| As at March 31, 2022         | <u>234.95</u>          | <u>234.95</u> |
| As at March 31, 2023         | <u>196.35</u>          | <u>196.35</u> |

Note: For other details please refer Note 46

**15 Other intangible assets**

|                              | Software     | Total        |
|------------------------------|--------------|--------------|
| <b>Gross carrying amount</b> |              |              |
| Balance as at March 31, 2021 | 39.91        | 39.91        |
| Additions                    | 24.69        | 24.69        |
| Disposals                    | -            | -            |
| Balance as at March 31, 2022 | <u>64.60</u> | <u>64.60</u> |
| Additions                    | 5.95         | 5.95         |
| Disposals                    | -            | -            |
| Balance as at March 31, 2023 | <u>70.55</u> | <u>70.55</u> |
| <b>Amortization</b>          |              |              |
| Balance as at March 31, 2021 | 17.11        | 17.11        |
| Additions                    | 16.09        | 16.09        |
| Disposals                    | -            | -            |
| Balance as at March 31, 2022 | <u>33.20</u> | <u>33.20</u> |
| Additions                    | 15.69        | 15.69        |
| Disposals                    | -            | -            |
| Balance as at March 31, 2023 | <u>48.89</u> | <u>48.89</u> |
| <b>Net carrying amount</b>   |              |              |
| As at March 31, 2021         | <u>22.80</u> | <u>22.80</u> |
| As at March 31, 2022         | <u>31.41</u> | <u>31.41</u> |
| As at March 31, 2023         | <u>21.66</u> | <u>21.66</u> |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

|                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------|-------------------------|-------------------------|
| <b>16 Other non- financial assets</b> |                         |                         |
| Prepaid expenses                      | 145.39                  | 102.57                  |
| Other non-financial assets*           | 20.27                   | 1.00                    |
| <b>Total</b>                          | <b>165.66</b>           | <b>103.56</b>           |

\*Includes 18.63 million incurred for expenses related to issue of equity shares and shall be adjusted with share premium of the issue.

**17 Assets held for sale**

|  |              |               |
|--|--------------|---------------|
| Assets under settlement (see note below) | 75.00        | 143.88        |
|  | <b>75.00</b> | <b>143.88</b> |

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

Basis the development, the Company, on prudent basis, has impaired asset under settlement amounting to Rs. 68.88 million (previous year: Rs.45.97 million)





**DMI Finance Private Limited**  
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**(All Amount in Rs. In millions, unless otherwise stated)**

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| <b>18 Payables</b>   |                         |                         |
| <b>a. Trade payables</b>   |                         |                         |
| i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)   | 8.97                    | 94.79                   |
| ii. Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,133.20                | 659.67                  |
|  | <u>1,142.17</u>         | <u>754.46</u>           |
| <b>b. Other payables</b>   |                         |                         |
| i. Total outstanding dues of micro enterprises and small enterprises (See note ii below)   | -                       | -                       |
| ii. Total outstanding dues of creditors other than micro enterprises and small enterprises | 525.06                  | 379.87                  |
|  | <u>525.06</u>           | <u>379.87</u>           |
| <b>Total</b>   | <u>1,667.23</u>         | <u>1,134.33</u>         |

**i) Trade payable and other payable ageing schedule**

**As at 31 March 2023**

| Particulars  | Less than 1<br>year | 1-2 years     | 2-3 years    | More than 3 years | Total           |
|--|---------------------|---------------|--------------|-------------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 8.97                | -             | -            | -                 | 8.97            |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,483.56            | 134.94        | 31.58        | 8.18              | 1,658.26        |
| Disputed dues of micro enterprises and small enterprises                               | -                   | -             | -            | -                 | -               |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -                   | -             | -            | -                 | -               |
| <b>Total</b>   | <u>1,492.53</u>     | <u>134.94</u> | <u>31.58</u> | <u>8.18</u>       | <u>1,667.23</u> |

**As at 31 March 2022**

| Particulars  | Less than 1<br>year | 1-2 years    | 2-3 years   | More than 3 years | Total           |
|--|---------------------|--------------|-------------|-------------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 94.79               | -            | -           | -                 | 94.79           |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 997.44              | 33.92        | 5.10        | 3.08              | 1039.54         |
| Disputed dues of micro enterprises and small enterprises                               | -                   | -            | -           | -                 | -               |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -                   | -            | -           | -                 | -               |
| <b>Total</b>   | <u>1,092.23</u>     | <u>33.92</u> | <u>5.10</u> | <u>3.08</u>       | <u>1,134.33</u> |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

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

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

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end  |                         |                         |
| - Principal amount   | 8.97                    | 94.79                   |
| - Interest thereon   | -                       | 0.03                    |
| ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, along with the amounts of the payment  | -                       | -                       |
| iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | -                       | -                       |
| iv) the amount of interest accrued and remaining unpaid  | 0.03                    | -                       |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor                                       | -                       | -                       |

**19 Debt securities (at amortised cost)**

|  |                  |                  |
|--|------------------|------------------|
| Non convertible debentures (refer note 19.1) | 15,352.85        | 18,552.27        |
| Market linked debentures (refer note 19.2)   | 1,485.06         | -                |
|  | <b>16,837.91</b> | <b>18,552.27</b> |
| Secured **                                   | 1,984.92         | 499.27           |
| Unsecured                                    | 14,852.99        | 18,053.00        |
| <b>Total</b>                                 | <b>16,837.91</b> | <b>18,552.27</b> |
| Debt securities in India                     | 16,837.91        | 18,552.27        |
| Debt securities outside India                | -                | -                |
| <b>Total</b>                                 | <b>16,837.91</b> | <b>18,552.27</b> |

\*\* Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company of Rs. 2,668.62 millions (previous year Rs. 893.22 millions).

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





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
 (All Amount in Rs. In millions, unless otherwise stated)

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

**A Secured**

| ISIN         | Date of allotment | Date of redemption | Nominal value per debenture | Number | Rate of interest | Face value | Amount outstanding as at March 31, 2023 | Amount outstanding as at March 31, 2022 | Terms of redemption  |
|--------------|-------------------|--------------------|-----------------------------|--------|------------------|------------|---|---|--|
| INE604O07159 | June 30, 2020     | June 30, 2023      | 10,00,000                   | 500    | 9.00%            | 500        | 499.85                                  | 499.27                                  | 36 Months from the date of Allotment. Coupon payment frequency is yearly |
| <b>Total</b> |                   |                    |                             |        |                  |            | <b>499.85</b>                           | <b>499.27</b>                           |  |

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

**B Unsecured**

| ISIN         | Date of allotment | Date of redemption | Nominal value per debenture | Number | Rate of interest | Face value | Amount outstanding as at March 31, 2023 | Amount outstanding as at March 31, 2022 | Terms of redemption   |
|--------------|-------------------|--------------------|-----------------------------|--------|------------------|------------|---|---|---|
| INE604O08066 | October 1, 2019   | October 1, 2022    | 10,00,000                   | 1,160  | 10.35%           | 1,160.00   | -                                       | 1,160.00                                | 36 months from date of allotment. Coupon payment frequency is quarterly. Matured and paid during Financial year 2023. |
| INE604O08074 | October 21, 2019  | October 21, 2022   | 10,00,000                   | 2,040  | 10.35%           | 2,040.00   | -                                       | 2,040.00                                | 36 months from date of allotment. Coupon payment frequency is quarterly. Matured and paid during Financial year 2023. |
| INE604O08082 | November 25, 2019 | November 25, 2023  | 10,00,000                   | 2,040  | 8.50%            | 2,040.00   | 2,040.00                                | 2,040.00                                | 48 months from the Date of Allotment. Coupon payment frequency is quarterly   |
| INE604O08090 | December 10, 2019 | December 10, 2023  | 10,00,000                   | 867    | 8.50%            | 867.00     | 867.00                                  | 867.00                                  | 48 months from the Date of Allotment. Coupon payment frequency is quarterly   |
| INE604O08108 | February 20, 2020 | February 20, 2024  | 10,00,000                   | 7,172  | 8.50%            | 7,172.00   | 7,172.00                                | 7,172.00                                | 48 months from the Date of Allotment. Coupon payment frequency is quarterly   |
| INE604O08124 | February 28, 2020 | February 28, 2024  | 10,00,000                   | 4,640  | 9.50%            | 4,640.00   | 4,640.00                                | 4,640.00                                | 48 months from the Date of Allotment. Coupon payment frequency is quarterly   |
| INE604O08116 | March 12, 2020    | March 12, 2024     | 10,00,000                   | 134    | 8.50%            | 134.00     | 134.00                                  | 134.00                                  | 48 months from the Date of Allotment. Coupon payment frequency is quarterly   |
| <b>Total</b> |                   |                    |                             |        |                  |            | <b>14,853.00</b>                        | <b>18,053.00</b>                        |   |

**19.2 Terms of redeemable Market Linked Debentures (MLD's)**

**Secured**

| ISIN No.     | Date of allotment | Date of redemption | Nominal value per debenture | Number | Rate of interest     | Face value | Amount outstanding as at March 31, 2023 | Amount outstanding as at March 31, 2022 | Terms of redemption   |
|--------------|-------------------|--------------------|-----------------------------|--------|----------------------|------------|---|---|---|
| INE604O07167 | October 21, 2022  | October 21, 2024   | 10,00,000                   | 1,500  | As per Table Below * | 1,500.00   | 1485.06                                 | -                                       | 24 Months from the date of Allotment. Coupon is payable on/at maturity. |
| <b>Total</b> |                   |                    |                             |        |                      |            | <b>1485.06</b>                          |   |   |

| * If Yield of GSEC 2032 on Redemption Date | Coupon(XIRR) |
|--|--------------|
| Is <= 18%                                  | 8.75% XIRR   |
| Is <= 24% and >18%                         | 8.70% XIRR   |
| Is > 24%                                   | -            |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

|   | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| <b>20 Borrowings (other than debt securities) (at amortised cost)</b> |                      |                      |
| <b>Secured*</b>   |                      |                      |
| <b>Term loans</b>   |                      |                      |
| From banks (See note i, iv and vi below)                              | 20,489.36            | 8,717.10             |
| <b>Other loans</b>  |                      |                      |
| Securitisation - PTC Borrowings (See note iii and v below)            | 2,902.81             | -                    |
| <b>Cash credit and overdraft</b>                                      |                      |                      |
| From banks (See note i and ii below)                                  | 496.34               | 248.43               |
|   | <b>23,888.51</b>     | <b>8,965.53</b>      |
| <b>Borrowings in India</b>  | 23,888.51            | 8,965.53             |
| <b>Borrowings outside India</b>                                       | -                    | -                    |
| <b>Total</b>  | <b>23,888.51</b>     | <b>8,965.53</b>      |

**Notes:**

i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 28,663.73 millions (Previous year: Rs. 14,257.92 millions).

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

iii) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 3748.46 millions

iv) Terms of repayment of borrowings as on March 31, 2023 are as follows:

| Lender                              | Disbursement Amount | Repayment                 | Rate of interest | Security cover | Outstanding as on March 31, 2023 | Outstanding as on March 31, 2022 |
|-------------------------------------|---------------------|---------------------------|------------------|----------------|----------------------------------|----------------------------------|
| Bank of Baroda-1                    | 1,000               | 16 quarterly installments | >6.00%<12%       | 133%           | -                                | 248.50                           |
| Bank of Baroda-2                    | 500                 | 16 monthly installments   | >6.00%<12%       | 133%           | 249.25                           | 373.33                           |
| Bank of Baroda-3                    | 500                 | 16 quarterly installments | >6.00%<12%       | 133%           | 373.58                           | 497.50                           |
| Bank of Baroda-4                    | 1,000               | 12 quarterly Installments | >6.00%<12%       | 125%           | 829.14                           | -                                |
| Bank of Baroda-5                    | 1,000               | 12 quarterly Installments | >6.00%<12%       | 125%           | 994.31                           | -                                |
| Karnataka Bank Limited              | 200                 | 11 quarterly installments | >6.00%<12%       | 125%           | 89.86                            | 163.22                           |
| Karnataka Bank-2                    | 250                 | 11 quarterly Installments | >6.00%<12%       | 125%           | 110.93                           | 221.86                           |
| Karnataka Bank-3                    | 500                 | 11 quarterly Installments | >6.00%<12%       | 125%           | 361.95                           | -                                |
| Bank of Maharashtra                 | 500                 | 42 monthly installments   | >6.00%<12%       | 125%           | 320.31                           | 476.93                           |
| Bank of Maharashtra-2               | 2,000               | 42 monthly Installment    | >6.00%<12%       | 125%           | 1,846.91                         | -                                |
| HDFC Bank Limited-2                 | 750                 | 8 quarterly installments  | >6.00%<12%       | 125%           | 102.64                           | 512.55                           |
| HDFC Bank Limited-3                 | 800                 | 8 quarterly installments  | >6.00%<12%       | 125%           | 399.23                           | 797.04                           |
| HDFC Bank Limited-4                 | 1,000               | 8 quarterly installments  | >6.00%<12%       | 125%           | 747.92                           | -                                |
| HDFC Bank Limited-5                 | 1,000               | 8 quarterly installments  | >6.00%<12%       | 125%           | 830.56                           | -                                |
| HDFC Bank Limited-6                 | 2,000               | 8 quarterly Installments  | >6.00%<12%       | 125%           | 2,000.00                         | -                                |
| State Bank Of India-1               | 1,000               | 15 quarterly installments | >6.00%<12%       | 125%           | 596.52                           | 865.74                           |
| State Bank Of India-2               | 2,000               | 15 quarterly installments | >6.00%<12%       | 125%           | 1,591.46                         | 1,985.82                         |
| State Bank of India -3              | 2,000               | 15 quarterly Installments | >6.00%<12%       | 125%           | 1,988.97                         | -                                |
| Kotak Mahindra Bank Limited         | 400                 | 24 monthly installments   | >6.00%<12%       | 125%           | 149.90                           | 349.44                           |
| Kotak Mahindra Bank Ltd.-2          | 750                 | 24 monthly Installment    | >6.00%<12%       | 125%           | 468.26                           | -                                |
| IndusInd Bank Limited               | 500                 | 12 quarterly installments | >6.00%<12%       | 125%           | 331.15                           | 495.74                           |
| IndusInd-2                          | 500                 | 12 quarterly Installments | >6.00%<12%       | 125%           | 494.98                           | -                                |
| Punjab National Bank                | 500                 | 35 monthly installments   | >6.00%<12%       | 133%           | 312.51                           | 483.82                           |
| South Indian Bank Limited           | 500                 | 15 quarterly installments | >6.00%<12%       | 125%           | 398.02                           | 499.04                           |
| Indian Bank                         | 750                 | 16 quarterly installments | >6.00%<12%       | 125%           | 560.45                           | 746.57                           |
| Indian Bank-2                       | 500                 | 11 quarterly Installments | >6.00%<12%       | 125%           | 497.48                           | -                                |
| Sumitomo Mitsui Banking Corporation | 1,000               | Upto 3 Months             | >6.00%<12%       | 125%           | 999.73                           | -                                |
| CSB Bank Limited                    | 500                 | 12 quarterly Installments | >6.00%<12%       | 125%           | 373.43                           | -                                |
| DCB Bank                            | 250                 | 11 quarterly Installments | >6.00%<12%       | 125%           | 250.02                           | -                                |
| Bandhan Bank                        | 500                 | 45 monthly Installment    | >6.00%<12%       | 125%           | 498.48                           | -                                |
| Utkarsh Small Finance Bank Limited  | 300                 | 37 monthly Installment    | >6.00%<12%       | 125%           | 275.16                           | -                                |
| Jammu & Kashmir Bank Limited        | 500                 | 14 quarterly Installments | >6.00%<12%       | 125%           | 496.25                           | -                                |
| HDFC Bank WCDL                      | 450                 | Upto 90 days              | >6.00%<12%       | 125%           | 450.00                           | -                                |
| HDFC Bank CC WCDL                   | 500                 | 5 months                  | >6.00%<12%       | 125%           | 500.00                           | -                                |
| <b>Total</b>                        |                     |                           |                  |                | <b>20,489.36</b>                 | <b>8,717.10</b>                  |





**DMI Finance Private Limited**  
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**v) Terms of repayment of Securitization- PTC borrowings as on March 31, 2023 are as follows:**

| Securitisatation | Total Amount | Payment Terms                                  | ROI        | Transaction Structure | Outstanding as on March 31, 2023 | Outstanding as on March 31, 2022 |
|------------------|--------------|--|------------|-----------------------|----------------------------------|----------------------------------|
| MOST I           | 2,381.00     | Monthly Payout to the Trust on the Pay in Date | >6.00%<12% | At par                | 119.00                           | -                                |
| PLUM II          | 772.70       | Monthly Payout to the Trust on the Pay in Date | >6.00%<12% | At par                | 552.50                           | -                                |
| PLUM I           | 905.30       | Monthly Payout to the Trust on the Pay in Date | >6.00%<12% | At par                | 748.30                           | -                                |
| PLUM III         | 1,491.20     | Monthly Payout to the Trust on the Pay in Date | >6.00%<12% | At par                | 1,483.01                         | -                                |
| <b>Total</b>     |              |  |            |                       | <b>2,902.81</b>                  | <b>-</b>                         |

vi) Secured term loans from banks amounting to Rs. 20,489.36 millions and carry rate of interest in the range of 6.00% to 12% p.a. The loans are having tenure of upto 4 years from the date of disbursement and are repayable in both monthly and quarterly installments. The secured term loans are secured by hypothecation (exclusive charge) of the book debt receivables of the Company.

vii) There are no term loans from financial institutions.

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

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

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

xi) The corporate guarantee given by the Company for borrowings of fellow group company on which charge is created on the assets of Company have not been considered for the disclosure as their charge is not due for the satisfaction. Further, the Company doesn't have any charges or satisfaction which is yet to be registered with ROC beyond statutory period

xii) The company has utilised the funds raised from banks and financial institutions for the specific purpose for which they are borrowed.



**DMI Finance Private Limited**  
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|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---|-------------------------|-------------------------|
| <b>21 Lease liabilities</b>               |                         |                         |
| Lease liabilities (refer note 46)         | 242.29                  | 276.36                  |
|   | <u>242.29</u>           | <u>276.36</u>           |
| <b>22 Other financial liabilities</b>     |                         |                         |
| Interest accrued but not due              |                         |                         |
| - Debt securities                         | 208.49                  | 156.43                  |
| - Borrowings other than debt securities   | 75.49                   | 6.44                    |
|   | <u>283.98</u>           | <u>162.87</u>           |
| <b>23 Provisions</b>                      |                         |                         |
| Provision for gratuity (refer note 38)    | 38.20                   | 32.58                   |
| Provision for compensation absences       | 58.15                   | 44.67                   |
|   | <u>96.35</u>            | <u>77.25</u>            |
| <b>24 Other non-financial liabilities</b> |                         |                         |
| Statutory dues payable                    | 221.33                  | 58.18                   |
| Security deposit                          | 4.71                    | 4.71                    |
|   | <u>226.04</u>           | <u>62.89</u>            |





**DMI Finance Private Limited**  
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**25 Equity share capital**

|   | As at March 31, 2023  |                  | As at March 31, 2022  |                  |
|---|-----------------------|------------------|-----------------------|------------------|
|   | No. of shares         | Amount           | No. of shares         | Amount           |
| <b>A. Authorized share capital</b>                        |                       |                  |                       |                  |
| Equity shares of Rs. 10 each                              | 1,96,50,00,000        | 19,650.00        | 96,50,00,000          | 9,650.00         |
| Compulsorily convertible preference shares of Rs. 10 each | 3,50,00,000           | 350.00           | 3,50,00,000           | 350.00           |
|   | <b>2,00,00,00,000</b> | <b>20,000.00</b> | <b>1,00,00,00,000</b> | <b>10,000.00</b> |
| <b>B. Issued, subscribed and paid up</b>                  |                       |                  |                       |                  |
| <b>Fully called-up and paid-up</b>                        |                       |                  |                       |                  |
| Equity shares of Rs. 10 each                              | 65,51,52,742          | 6,551.53         | 65,50,78,001          | 6,550.78         |
| <b>Sub total (A)</b>                                      | <b>65,51,52,742</b>   | <b>6,551.53</b>  | <b>65,50,78,001</b>   | <b>6,550.78</b>  |
| <b>Partly called-up and paid-up</b>                       |                       |                  |                       |                  |
| Equity shares of Rs. 10 each                              | 5,73,15,400           | 16.22            | 5,73,15,400           | 16.22            |
| <b>Sub total (B)</b>                                      | <b>5,73,15,400</b>    | <b>16.22</b>     | <b>5,73,15,400</b>    | <b>16.22</b>     |
| <b>Total (A+B)</b>  | <b>71,24,68,142</b>   | <b>6,567.75</b>  | <b>71,23,93,401</b>   | <b>6,567.00</b>  |

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

|  |                     |                 |                     |                 |
|--|---------------------|-----------------|---------------------|-----------------|
| Balance at the beginning of year                           | 71,23,93,401        | 6,567.00        | 69,93,50,933        | 6,436.58        |
| Changes in equity share capital due to prior period errors | -                   | -               | -                   | -               |
| Restated balance at the beginning of the period            | 71,23,93,401        | 6,567.00        | 69,93,50,933        | 6,436.58        |
| Shares issued during the year                              | 74,741              | 0.75            | 1,30,42,468         | 130.42          |
| First call money called on partly paid up shares           | -                   | -               | -                   | -               |
| <b>Balance at the end of year</b>                          | <b>71,24,68,142</b> | <b>6,567.75</b> | <b>71,23,93,401</b> | <b>6,567.00</b> |

**25.2 Shares held by holding Company**

|             | As at March 31, 2023 |               | As at               |               |
|-------------|----------------------|---------------|---------------------|---------------|
|             | No. of shares        | % holding     | No. of shares       | % holding     |
| DMI Limited | 51,98,89,603         | 72.97%        | 51,98,89,603        | 72.98%        |
|             | <b>51,98,89,603</b>  | <b>72.97%</b> | <b>51,98,89,603</b> | <b>72.98%</b> |

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

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

| Name of the shareholder  | As at          |           | As at          |           |
|--|----------------|-----------|----------------|-----------|
|  | March 31, 2023 |           | March 31, 2022 |           |
|  | No. of shares  | % holding | No. of shares  | % holding |
| <b>Equity shares of Rs. 10 each fully paid up and partly paid up</b> |                |           |                |           |
| DMI Limited  | 51,98,89,603   | 72.97%    | 51,98,89,603   | 72.98%    |
| NIS Ganesha S.A.   | 6,47,35,441    | 9.09%     | 6,47,35,441    | 9.09%     |
| K2VZ   | 5,73,15,400    | 8.04%     | 5,73,15,400    | 8.05%     |

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

- (i) During the current year, the Company has issued 74,741 equity shares of Rs. 10 per share at applicable exercise price under the ESOP plans. The amount received on these issues aggregates to Rs. 3.60 million.
- (ii) The Authorised share capital has been increased from RS. 10,000 million to Rs.20,000 million. The same was approved by the shareholders of the Company in its meeting held on Nov 15, 2022.
- (iii) % holding is calculated on the basis of number of shares held by the respective shareholder.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**25.4 Details of shares held by promoters**

| Particulars                                       | As at March 31, 2023 | As at 31 March 2022 |
|---|----------------------|---------------------|
| <b>Equity shares of Rs. 10 each fully paid up</b> |                      |                     |
| No. of shares at the beginning of the year        | 51,98,89,603         | 51,98,89,603        |
| Change during the year                            | -                    | -                   |
| No. of shares at the end of the year              | 51,98,89,603         | 51,98,89,603        |
| % of total shares                                 | 72.97%               | 72.98%              |
| % change during the year                          | (0.01%)              | (1.83%)             |

DMI Limited is the promoter of the Company

**25.5 Rights, preferences and restrictions**

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

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

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

**25.7 Uncalled and Unpaid Capital**

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

**25.8** The Company has filed an application under Section 66(1)(a) of Companies Act, 2013 with Hon'ble National Company Law Tribunal ("NCLT") for reduction of Issued, Subscribed and Paid-up share Capital of the Company on June 8, 2022. Pursuant to such capital reduction 57,315,400 partly paid equity shares are expected to be reduced to 1,622,138 shares. Further, the order from NCLT is awaited.





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**26 Other equity**

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| Securities premium   | 25,711.77               | 25,707.55               |
| Capital redemption reserve   | 81.21                   | 81.21                   |
| Statutory reserve u/s 45-IC of RBI Act   | 1,741.05                | 1,093.02                |
| Share based payment outstanding reserve  | 305.07                  | 187.02                  |
| Share warrant reserve  | 74.80                   | 32.44                   |
| Retained earnings  | 6,742.67                | 4,150.54                |
| Other comprehensive income   | 836.13                  | 661.59                  |
| Upfront monies received on share warrant   | 0.72                    | 0.50                    |
| <b>Total</b>   | <b>35,493.42</b>        | <b>31,913.87</b>        |
| <b>Securities premium</b>  |                         |                         |
| Opening balance  | 25,707.55               | 23,495.35               |
| Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan) | 4.22                    | 2,212.20                |
| Closing balance  | 25,711.77               | 25,707.55               |
| <b>Capital redemption reserve</b>  |                         |                         |
| Opening balance  | 81.21                   | 81.21                   |
| Add : Additions during the year  | -                       | -                       |
| Closing balance  | 81.21                   | 81.21                   |
| <b>Statutory reserve u/s 45-IC of RBI Act</b>  |                         |                         |
| Opening balance  | 1,093.02                | 977.46                  |
| Add : Transfer during the year from Surplus in statement of profit and loss                                | 648.03                  | 115.56                  |
| Closing balance  | 1,741.05                | 1,093.02                |
| <b>Share based payment outstanding reserve</b>   |                         |                         |
| Opening balance  | 187.02                  | 140.95                  |
| Add : Granted/vested during the year   | 121.09                  | 73.56                   |
| Less : Exercised during the year   | (3.04)                  | (27.49)                 |
| Closing balance  | 305.07                  | 187.02                  |
| <b>Share warrant reserve</b>   |                         |                         |
| Opening balance  | 32.44                   | -                       |
| Add : Addition during the year   | 42.36                   | 32.44                   |
| Closing balance  | 74.80                   | 32.44                   |
| <b>Retained earnings</b>   |                         |                         |
| Opening balance  | 4,150.54                | 3,688.30                |
| Add : Profit for the year  | 3,240.16                | 577.80                  |
| Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934                                      | (648.03)                | (115.56)                |
| Closing balance  | 6,742.67                | 4,150.54                |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| <b>Upfront monies received on share warrant</b>    |                         |                         |
| Opening balance                                    | 0.50                    | -                       |
| Add : Amount received during the year              | 0.22                    | 0.50                    |
| <b>Closing balance</b>                             | <b>0.72</b>             | <b>0.50</b>             |
| <b>Other Comprehensive Income</b>                  |                         |                         |
| Opening balance                                    | 661.59                  | 34.05                   |
| Add: Remeasurement gain on defined benefit plan    | 4.14                    | 0.39                    |
| Add : Gain on Fair Value changes (debt and equity) | 170.40                  | 610.18                  |
| Add: Realised Gain on investments                  | -                       | 16.97                   |
| <b>Closing balance</b>                             | <b>836.13</b>           | <b>661.59</b>           |

**Security premium**

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

**Capital redemption reserve**

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

**Statutory reserve u/s 45-IC of RBI Act**

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

**Share option outstanding account**

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

**Share warrant reserve**

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

**Retained earnings**

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

**Upfront monies received on share warrant**

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





**DMI Finance Private Limited**  
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**(All Amount in Rs. In millions, unless otherwise stated)**

**27 Interest income**

|                                    | Year ended March 31, 2023   |  |  | Year ended March 31, 2022   |  |  |
|------------------------------------|---|--|--|---|--|--|
|                                    | On financial instruments measured at fair value through Profit & Loss | On financial assets measured at Amortised cost | On financial assets measured at fair value through OCI | On financial instruments measured at fair value through Profit & Loss | On financial assets measured at Amortised cost | On financial assets measured at fair value through OCI |
| Interest income on portfolio loans | -   | 15,391.00                                      | 21.51  | -   | 7,280.54                                       | 30.22  |
| Interest income on investments     | 106.92  | 256.47   | 155.50   | 22.89   | 310.55   | 154.84   |
| Interest on deposits with bank     | -   | 38.08  | -  | -   | 38.06  | -  |
| <b>Total interest income</b>       | <b>106.92</b>   | <b>15,685.55</b>                               | <b>177.01</b>  | <b>22.89</b>  | <b>7,629.15</b>                                | <b>185.06</b>  |
|                                    |   |  | <b>15,969.48</b>                                       |   |  | <b>7,837.11</b>  |

**28 Fees and commission income**

|                    | Amount invoiced           |                           | Revenue booked            |                           |
|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                    | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Fee on card reload | 1.82                      | 21.42                     | 1.82                      | 21.42                     |
| Others *           | -                         | -                         | 199.92                    | 97.44                     |
|                    | <b>1.82</b>               | <b>21.42</b>              | <b>201.74</b>             | <b>118.86</b>             |

\*includes income related to recoveries from Consumer loans

**29 Net gain on fair value changes**

|   | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---------------------------|---------------------------|
| (A) Net gain on financial instruments at fair value through profit and loss |                           |                           |
| On financial instruments designated at fair value through profit or loss    | 197.60                    | 1,005.79                  |
| (B) others  | -                         | -                         |
|   | <b>197.60</b>             | <b>1,005.79</b>           |
| Analysis of fair value changes <sup>#</sup>                                 |                           |                           |
| Realised  | 337.47                    | 716.69                    |
| Unrealised  | (139.87)                  | 289.10                    |
|   | <b>197.60</b>             | <b>1,005.79</b>           |

<sup>#</sup>shows the change from the date of investment

**30 Other income**

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Cost sharing from group companies | 174.89        | 122.74        |
| Income on Treasury instruments    | -             | 16.88         |
| Miscellaneous income              | 21.35         | 4.89          |
|                                   | <b>196.24</b> | <b>144.51</b> |

**31 Finance costs**

**Interest on financial liabilities (measured at amortised cost)**

|   |                 |                 |
|---|-----------------|-----------------|
| Interest on debt securities                         |                 |                 |
| - on non convertible debentures                     | 1,533.36        | 1,685.76        |
| - on market linked debentures                       | 62.11           | -               |
| Interest on borrowings (other than debt securities) |                 |                 |
| - on bank term loan                                 | 1,189.84        | 211.88          |
| - on bank cash credit                               | 20.19           | 0.58            |
| Other interest expense                              |                 |                 |
| - on delayed deposit of statutory dues              | -               | 0.08            |
| - on leasing arrangements                           | 26.33           | 16.09           |
| - securitisation                                    | 179.96          | -               |
| Other borrowing costs                               | 6.87            | 2.14            |
|   | <b>3,018.66</b> | <b>1,916.53</b> |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
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|  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--|------------------------------|------------------------------|
| <b>32 Fees and commission expense</b>  |                              |                              |
| Selling partner commission   | 1,329.74                     | 671.05                       |
|  | <u>1,329.74</u>              | <u>671.05</u>                |
| <b>33 Impairment on financial instruments</b>  |                              |                              |
| Expected credit loss allowance   | 461.24                       | 1,999.90                     |
| Write offs   | 3,550.96                     | 1,412.03                     |
|  | <u>4,012.20</u>              | <u>3,411.93</u>              |
| <b>34 Employee benefits expense</b>  |                              |                              |
| Salaries, wages and bonus  | 1,031.40                     | 716.97                       |
| Contribution to provident and other funds  | 15.04                        | 11.63                        |
| Gratuity expenses (refer note 38)  | 13.36                        | 10.44                        |
| Share based payment to employees **  | 133.48                       | 73.56                        |
| Staff welfare expenses   | 41.94                        | 27.26                        |
|  | <u>1,235.22</u>              | <u>839.86</u>                |
| ** Includes 12.39 millions of warrants issued by Group Company (DMI Housing Finance) to employees of the Company |                              |                              |
| <b>35 Depreciation and amortization</b>  |                              |                              |
| Depreciation on property, plant and equipment (See note 12)  | 43.64                        | 31.75                        |
| Amortisation of right of use assets (See note 14)  | 48.87                        | 50.84                        |
| Amortisation of other intangible assets (See note 15)  | 15.69                        | 16.09                        |
|  | <u>108.20</u>                | <u>98.68</u>                 |
| <b>36 Other expenses</b>   |                              |                              |
| Advertisement expenses   | 25.10                        | 8.85                         |
| Legal and professional fees*   | 867.74                       | 587.71                       |
| Travelling and conveyance expenses   | 73.64                        | 10.48                        |
| Auditor's remuneration (refer note 36.1)   | 4.84                         | 4.05                         |
| IT expenses  | 487.78                       | 255.21                       |
| Rates and taxes  | 7.00                         | 1.76                         |
| Rent   | 10.69                        | 4.58                         |
| Goods and service tax  | 420.12                       | 198.45                       |
| Director's sitting fee   | 0.76                         | 0.68                         |
| Corporate social responsibility (refer note 36.2)  | 16.25                        | 17.40                        |
| Repair and maintenance   | 25.94                        | 14.55                        |
| Insurance expense  | 0.10                         | 0.24                         |
| Credit evaluation fee  | 328.60                       | 151.27                       |
| Credit rating fee  | 9.93                         | 5.24                         |
| Customer onboarding expenses   | 0.06                         | 0.07                         |
| Assets held for sale written off   | 68.88                        | 45.97                        |
| Miscellaneous expenses   | 135.03                       | 80.18                        |
|  | <u>2,482.46</u>              | <u>1,386.69</u>              |
| * includes share warrant expense amounting to Rs. 40.79 millions (previous year Rs. 32.44 millions)              |                              |                              |
| <b>36.1 Auditor's remuneration (excluding applicable taxes)</b>  |                              |                              |
| - as auditors  | 3.36                         | 2.80                         |
| - for tax services   | 0.36                         | 0.30                         |
| - for other services*  | 1.12                         | 0.95                         |
|  | <u>4.84</u>                  | <u>4.05</u>                  |
| * includes amount of INR 0.15 million paid to erstwhile auditor in previous year                                 |                              |                              |





**DMI Finance Private Limited**  
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**36.2 Corporate social responsibility (CSR)**

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was Rs. 16.25 millions in FY 2022-23 (Previous Year Rs. 17.40 millions) and Company has spent Rs. 15.32 millions in FY 2022-23 (Previous Year Rs. 17.40 millions).

|  | Year ended<br>March 31,2023 | Year ended<br>March 31,2022 |
|--|-----------------------------|-----------------------------|
| Gross amount unspent for the last year                           | -                           | -                           |
| Gross amount required to be spent by the Company during the year | 16.25                       | 17.40                       |
| Amount spent during the year                                     | 15.33                       | 17.40                       |
| Construction/acquisition of any asset                            | -                           | -                           |
| <b>Paid in cash</b>  | <b>15.33</b>                | <b>17.40</b>                |
| <b>Yet to be paid in cash</b>                                    | <b>0.92</b>                 | <b>-</b>                    |
| <b>Nature of CSR Activities</b>                                  |                             |                             |
| Education, Nutrition and Women Empowerment                       | 9.83                        | 14.16                       |
| Promoting and development towards healthcare                     | -                           | 2.74                        |
| Promoting Indian Classical art and culture among youth           | -                           | 0.50                        |
| Training and helping Indian Athletes to win Olympic Gold medals  | -                           | -                           |
| Provide supporting in eradication of hunger                      | -                           | -                           |
| Upliftment of abandoned and poor                                 | 4.00                        | -                           |
| Provision of low cost sanitation                                 | 1.50                        | -                           |

**Notes :**

- a) There is no transaction with related parties as defined under the IND AS 24 'Related Party Disclosures'  
b) There is a provision of 0.92 millions in the books as at March 31, 2023

**37 Earning per share (EPS)**

|  | Year ended<br>March 31,2023 | Year ended<br>March 31,2022 |
|--|-----------------------------|-----------------------------|
| <b>Net profit attributable to equity shareholders</b>  | <b>3,240.16</b>             | <b>577.80</b>               |
| Net profit for the year for basic EPS  | 3,240.16                    | 577.80                      |
| Dilutive impact of convertible instruments   | -                           | -                           |
| Net profit for the year for dilutive EPS   | 3,240.16                    | 577.80                      |
| <b>Nominal value of equity shares (in Rs.)</b>   | <b>10.00</b>                | <b>10.00</b>                |
| <b>Weighted-average number of equity shares for basic EPS (Face value of share Rs. 10 each)</b>    | <b>65,67,16,725</b>         | <b>64,77,49,654</b>         |
| Convertible instruments  | 98,34,747                   | 1,21,00,997                 |
| <b>Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)</b> | <b>66,65,51,472</b>         | <b>65,98,50,651</b>         |
| <b>Basic EPS</b>   | <b>4.93</b>                 | <b>0.82</b>                 |
| <b>Dilutive EPS</b>  | <b>4.86</b>                 | <b>0.81</b>                 |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**38 Retirement benefit plan**

**Defined contribution plan**

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

The total expense charged to income during the current year Rs. 15.04 millions (previous year: Rs. 11.63 millions ) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plan**

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

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

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

**Changes in the defined benefit obligation:**

|                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year  | 32.58                   | 22.78                   |
| Current service cost                  | 11.02                   | 8.90                    |
| Interest cost                         | 2.34                    | 1.54                    |
| Benefits Paid                         | (2.21)                  | (0.12)                  |
| Remeasurement (gain) / loss           | (5.53)                  | (0.52)                  |
| <b>Balance at the end of the year</b> | <b>38.20</b>            | <b>32.58</b>            |

**Amount recognised in the statement of profit and loss is as under:**

|   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| Current service cost                        | 11.02                        | 8.90                         |
| Interest cost on defined benefit obligation | 2.34                         | 1.54                         |
| <b>Net impact on profit before tax</b>      | <b>13.36</b>                 | <b>10.44</b>                 |

**Amount recognised in the other comprehensive income:**

|  |               |               |
|--|---------------|---------------|
| Return on plan assets (excluding amounts included in net interest expense) | -             | -             |
| Actuarial changes arising from changes in demographic assumptions          | -             | -             |
| Actuarial changes arising from changes in financial assumptions            | (1.00)        | (2.05)        |
| Experience adjustments   | (4.53)        | 1.54          |
| <b>Impact on other comprehensive income</b>                                | <b>(5.53)</b> | <b>(0.52)</b> |

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

**Economic assumptions**

|                         |       |       |
|-------------------------|-------|-------|
| Discount rate           | 7.36% | 7.18% |
| Future salary increases | 6.00% | 6.00% |

**Demographic assumptions**

|   |                        |                        |
|---|------------------------|------------------------|
| Retirement age  | 60                     | 60                     |
| Mortality rates inclusive of provision for disability | 100% of IALM (2012-14) | 100% of IALM (2012-14) |
| <b>Attrition at ages (withdrawal rate)</b>            |                        |                        |
| (i) up to 30 years                                    | 3.00%                  | 3.00%                  |
| (ii) From 31 to 44 years                              | 2.00%                  | 2.00%                  |
| (iii) Above 44 years                                  | 1.00%                  | 1.00%                  |

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





**DMI Finance Private Limited**  
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**Sensitivity analysis for gratuity liability**

**Impact of the change in discount rate**  
 Impact due to increase of 0.50 %  
 Impact due to decrease of 0.50 %

**Impact of the change in salary increase**  
 Impact due to increase of 0.50 %  
 Impact due to decrease of 0.50 %

|  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--|------------------------------|------------------------------|
|  | (2.75)                       | (2.37)                       |
|  | 3.05                         | 2.61                         |
|  |                              |                              |
|  | 2.34                         | 2.63                         |
|  | (2.16)                       | (2.40)                       |

The following is the maturity profile of gratuity:

**Expected payment for future years**

0 to 1 year  
 1 to 2 year  
 2 to 3 year  
 3 to 4 year  
 4 to 5 year  
 5 to 6 year  
 6th year onwards  
**Total expected payments**

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
|  | 0.74                    | 0.49                    |
|  | 0.54                    | 0.52                    |
|  | 0.60                    | 0.52                    |
|  | 0.65                    | 0.55                    |
|  | 0.89                    | 0.55                    |
|  | 0.88                    | 0.70                    |
|  | 33.90                   | 29.25                   |
|  | <b>38.20</b>            | <b>32.58</b>            |

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 20.21 years (Previous year : 20.17 years)



39 Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for its group employees. Details of all grants in operation during the year ended March 31, 2023 are as given below:

| Scheme Name                                | Date of grant | Date of Board / Committee approval | Number of options granted | Method of settlement | Graded vesting period * | Number of employees to whom options were granted | First vesting date | Exercise period ** | Vesting conditions | Exercise price per option | Stock price on the date of grant |
|--|---------------|------------------------------------|---------------------------|----------------------|-------------------------|--|--------------------|--------------------|--------------------|---------------------------|----------------------------------|
| DMI ESOP Plan 2019                         | 01-Apr-19     | 11-02-2020                         | 6,25,248                  | Shares               | See Below               | 47   | 31-03-2021         | 5 years            | As per plan        | 95.49                     | 95.49                            |
| DMI ESOP Retention Plan 2019               | 16-Mar-20     | 11-02-2020                         | 13,35,000                 | Shares               | See Below               | 13   | 15-03-2021         | 5 years            | As per plan        | 100.00                    | 101.87                           |
| DMI ESOP plan 2018                         | 19-Mar-18     | 16-03-2018                         | 23,038                    | Shares               | See Below               | 6  | 18-03-2019         | 5 years            | As per plan        | 43.90                     | 22.81                            |
| DMI Retention Plan, 2018                   | 01-Apr-18     | 16-03-2018                         | 10,69,927                 | Shares               | See Below               | 19   | 31-03-2019         | 5 years            | As per plan        | 46.74                     | 24.68                            |
| DMI ESOP Plan, Management Scheme           | 01-Oct-18     | 01-10-2018                         | 5,79,148                  | Shares               | See Below               | 5  | 30-09-2019         | 5 years            | As per plan        | 62.21                     | 95.49                            |
| DMI ESOP Plan, Legacy Scheme               | 01-Apr-18     | 16-03-2018                         | 2,81,354                  | Shares               | See Below               | 5  | 31-03-2019         | 5 years            | As per plan        | 13.29                     | 24.68                            |
| DMI Employment Contract 2020               | 16-Feb-21     | 09-04-2020                         | 23,068                    | Shares               | See Below               | 1  | 15-02-2022         | 5 years            | As per plan        | 113.34                    | 113.34                           |
| DMI Retention Bonus (NBFC Apr'20)          | 21-Apr-20     | 09-04-2020                         | 2,75,000                  | Shares               | See Below               | 14   | 31-03-2021         | 5 years            | As per plan        | 116.36                    | 116.36                           |
| DMI Finance ESOP Plan 2020                 | 01-Apr-20     | 09-04-2020                         | 3,63,094                  | Shares               | See Below               | 48   | 31-03-2021         | 5 years            | As per plan        | 116.36                    | 116.36                           |
| DMI Variable 2019-20                       | 01-Jan-21     | 09-04-2020                         | 9,865                     | Shares               | See Below               | 2  | 31-03-2021         | 5 years            | As per plan        | 113.34                    | 113.34                           |
| DMI Finance Plan 2021                      | 01-Apr-21     | 21-06-2021                         | 3,52,939                  | Shares               | See Below               | 63   | 01-04-2022         | 5 years            | As per plan        | 113.34                    | 113.00                           |
| DMI Finance Plan 2021                      | 01-Apr-21     | 21-06-2021                         | 2,00,000                  | Shares               | See Below               | 1  | 01-04-2022         | 5 years            | As per plan        | 113.00                    | 113.00                           |
| Founder Circle Award 2020-21 (NBFC Apr'21) | 01-Apr-21     | 21-06-2021                         | 2,70,000                  | Shares               | See Below               | 24   | 01-04-2024         | 5 years            | As per plan        | 113.34                    | 113.00                           |
| Founder Circle Award 2020-21 (NBFC Jul'21) | 27-Jul-21     | 21-06-2021                         | 30,11,000                 | Shares               | See Below               | 98   | 07-07-2024         | 5 years            | As per plan        | 112.86                    | 112.86                           |
| DMI Employment Contract 2021-22 - I        | 20-Dec-21     | 21-06-2021                         | 12,210                    | Shares               | See Below               | 1  | 20-12-2024         | 5 years            | As per plan        | 209.00                    | 209.00                           |
| DMI ESOP Plan, Management - III            | 15-Jan-22     | 21-06-2021                         | 18,315                    | Shares               | See Below               | 1  | 15-01-2023         | 5 years            | As per plan        | 209.00                    | 209.00                           |
| DMI Employment Contract 2021-22 - III      | 28-Jan-22     | 21-06-2021                         | 6,105                     | Shares               | See Below               | 1  | 28-01-2025         | 5 years            | As per plan        | 209.00                    | 209.00                           |
| DMI Employment Contract 2021-22 - IV       | 01-Mar-22     | 21-06-2021                         | 7,326                     | Shares               | See Below               | 1  | 01-03-2025         | 5 years            | As per plan        | 209.00                    | 209.00                           |
| DMI Employment Contract 2021-22 - V        | 07-Mar-22     | 21-06-2021                         | 3,663                     | Shares               | See Below               | 1  | 07-03-2025         | 5 years            | As per plan        | 209.00                    | 209.00                           |
| DMI Finance ESOP Plan 2022 - I             | 1-Apr-22      | 20-05-2022                         | 5,01,364                  | Shares               | See Below               | 127  | 01-04-2023         | 5 years            | As per plan        | 212.81                    | 212.81                           |
| DMI Finance ESOP Plan 2022 - II            | 1-Jul-22      | 20-05-2022                         | 2,497                     | Shares               | See Below               | 1  | 01-04-2023         | 5 years            | As per plan        | 212.81                    | 212.81                           |
| Employment Contract - Aug'22 - II          | 12-Aug-22     | 12-08-2022                         | 1,670                     | Shares               | See Below               | 1  | 12-08-2025         | 5 years            | As per plan        | 217.77                    | 217.77                           |
| Employment Contract - Jun'22               | 22-Jun-22     | 12-08-2022                         | 1,670                     | Shares               | See Below               | 1  | 25-08-2025         | 5 years            | As per plan        | 217.77                    | 217.77                           |
| Employment Contract - Aug'22 - III         | 25-Aug-22     | 12-08-2022                         | 5,945                     | Shares               | See Below               | 1  | 25-08-2025         | 5 years            | As per plan        | 212.81                    | 212.81                           |
| Employment Contract - Mar'23               | 1-Mar-22      | 27-03-2023                         | 29,154                    | Shares               | See Below               | 2  | 01-03-2026         | 5 years            | As per plan        | 225.11                    | 225.11                           |
| Employment Contract - Nov'22               | 10-Nov-22     | 14-11-2022                         | 2,188                     | Shares               | See Below               | 1  | 10-11-2025         | 5 years            | As per plan        | 221.53                    | 217.77                           |
| Employment Contract - Sep'22               | 30-Sep-22     | 14-11-2022                         | 2,188                     | Shares               | See Below               | 1  | 30-09-2025         | 5 years            | As per plan        | 221.53                    | 217.77                           |
| Employment Contracts - Apr'22              | 28-Apr-22     | 20-05-2022                         | 1,784                     | Shares               | See Below               | 1  | 28-04-2025         | 5 years            | As per plan        | 212.81                    | 212.81                           |
| Employment Contracts - Jul'22              | 1-Jul-22      | 12-08-2022                         | 30,000                    | Shares               | See Below               | 3  | 01-07-2025         | 5 years            | As per plan        | 217.77                    | 217.77                           |
| Employment Contracts - May'22              | 4-May-22      | 20-05-2022                         | 30,000                    | Shares               | See Below               | 1  | 04-05-2025         | 5 years            | As per plan        | 212.81                    | 212.81                           |
| Founder Circle Award 2022-23 (NBFC Feb'23) | 1-Feb-23      | 27-03-2023                         | 1,00,48,700               | Shares               | See Below               | 150  | 01-02-2028         | 6 years            | As per plan        | 225.11                    | 225.11                           |
| <b>Total</b>                               |               |                                    | <b>1,91,23,461</b>        |                      |                         | <b>642</b>                                       |                    |                    |                    |                           |                                  |

Graded vesting period\*

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

\*2 For Schemes Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21), DMI Employment Contract 2021-22 - I, DMI Employment Contract - Aug'22 - II, Employment Contract - Jun'22, Employment Contract - Mar'23, Employment Contract - Nov'22, Employment Contract - Sep'22, Employment Contracts - Apr'22, Employment Contracts - Jul'22 and Employment Contracts - May'22 options will vest on completion of three years from the grant dates respectively.

\*3 For Scheme Founder Circle Award 2022-23 (NBFC Feb'23) options will vest on completion of five years from the grant date.

Exercise period \*\*

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





DMI Finance Private Limited  
Notes to the standalone financial statements  
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II. Reconciliation of options  
March 31, 2023

| Scheme Name                                | Options outstanding at the beginning of the year | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding at the end of the year | Weighted average remaining contractual life (in years) |
|--|--|-------------------------|---------------------------|------------------------|------------------------------------|--|
| DMI ESOP plan 2018                         | 24,527   | -                       | 1,489                     | -                      | 23,038                             | 0.08   |
| DMI Retention Plan, 2018                   | 10,90,536  | -                       | 20,609                    | -                      | 10,69,927                          | 0.50   |
| DMI ESOP Plan, Management Scheme           | 5,86,222   | -                       | -                         | 7,074                  | 5,79,148                           | 0.50   |
| DMI ESOP Plan, Legacy Scheme               | 3,14,148   | -                       | 32,794                    | -                      | 2,81,354                           | -  |
| DMI ESOP PLAN 2019                         | 6,46,899   | -                       | 7,497                     | 14,154                 | 6,25,248                           | 1.00   |
| DMI ESOP RETENTION PLAN 2019               | 14,00,000  | -                       | -                         | 65,000                 | 13,35,000                          | 2.06   |
| DMI Employment Contract 2020               | 23,068   | -                       | -                         | -                      | 23,068                             | 2.88   |
| DMI Retention Bonus (NBFC Apr'20)          | 5,80,000   | -                       | -                         | 3,05,000               | 2,75,000                           | 2.06   |
| DMI Finance ESOP Plan 2020                 | 3,88,823   | -                       | 7,529                     | 18,200                 | 3,63,094                           | 2.00   |
| DMI Variable2019-20                        | 9,865  | -                       | -                         | -                      | 9,865                              | 2.76   |
| DMI Finance Plan 2021                      | 4,33,708   | -                       | 4,823                     | 75,946                 | 3,52,939                           | 3.00   |
| DMI Finance Plan 2021                      | 2,00,000   | -                       | -                         | -                      | 2,00,000                           | 3.00   |
| Founder Circle Award 2020-21 (NBFC Apr'21) | 4,30,000   | -                       | -                         | 1,60,000               | 2,70,000                           | 3.00   |
| Founder Circle Award 2020-21 (NBFC Jul'21) | 37,23,000  | -                       | -                         | 7,12,000               | 30,11,000                          | 3.32   |
| DMI Employment Contract 2021-22 - I        | 2,222  | -                       | -                         | 2,222                  | -                                  | 3.64   |
| DMI Employment Contract 2021-22 - II       | 12,210   | -                       | -                         | -                      | 12,210                             | 3.72   |
| DMI ESOP Plan, Management - III            | 18,315   | -                       | -                         | -                      | 18,315                             | 3.79   |
| DMI Employment Contract 2021-22 - III      | 6,105  | -                       | -                         | -                      | 6,105                              | 3.83   |
| DMI Employment Contract 2021-22 - IV       | 7,326  | -                       | -                         | -                      | 7,326                              | 3.92   |
| DMI Employment Contract 2021-22 - V        | 3,663  | -                       | -                         | -                      | 3,663                              | 3.93   |
| DMI Finance ESOP Plan 2022 - I             | -  | 5,18,651                | -                         | 17,287                 | 5,01,364                           | 4.00   |
| DMI Finance ESOP Plan 2022 - II            | -  | 2,497                   | -                         | -                      | 2,497                              | 4.25   |
| Employment Contract - Aug'22 - II          | -  | 1,670                   | -                         | -                      | 1,670                              | 4.37   |
| Employment Contract - Aug'22 - III         | -  | 1,670                   | -                         | -                      | 1,670                              | 4.40   |
| Employment Contract - Jun'22               | -  | 5,945                   | -                         | -                      | 5,945                              | 4.23   |
| Employment Contract - Mar'23               | -  | 29,154                  | -                         | -                      | 29,154                             | 4.92   |
| Employment Contract - Nov'22               | -  | 2,188                   | -                         | -                      | 2,188                              | 4.61   |
| Employment Contract - Sep'22               | -  | 2,188                   | -                         | -                      | 2,188                              | 4.50   |
| Employment Contracts - Apr'22              | -  | 1,784                   | -                         | -                      | 1,784                              | 4.08   |
| Employment Contracts - Jul'22              | -  | 30,000                  | -                         | -                      | 30,000                             | 4.25   |
| Employment Contracts - May'22              | -  | 30,000                  | -                         | -                      | 30,000                             | 4.09   |
| Founder Circle Award 2022-23 (NBFC Feb'23) | -  | 1,00,48,700             | -                         | -                      | 1,00,48,700                        | 5.84   |
| <b>Total</b>                               | <b>99,00,637</b>                                 | <b>1,06,74,447</b>      | <b>74,741</b>             | <b>13,76,882</b>       | <b>1,91,23,461</b>                 |  |

March 31, 2022

| Scheme Name                                | Options outstanding at the beginning of the year | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding at the end of the year | Weighted average remaining contractual life (in years) |
|--|--|-------------------------|---------------------------|------------------------|------------------------------------|--|
| DMI ESOP plan 2018                         | 3,22,023   | -                       | 2,97,496                  | -                      | 24,527                             | 0.96   |
| DMI Retention Plan, 2018                   | 14,83,941  | -                       | 3,96,642                  | -                      | 10,90,536                          | 1  |
| DMI ESOP Plan, Management Scheme           | 6,04,396   | -                       | 18,174                    | -                      | 5,86,222                           | 1.5  |
| DMI ESOP Plan, Legacy Scheme               | 18,27,677  | -                       | 15,13,529                 | -                      | 3,14,148                           | 1  |
| DMI ESOP PLAN 2019                         | 6,88,660   | -                       | 41,761                    | -                      | 6,46,899                           | 2  |
| DMI ESOP RETENTION PLAN 2019               | 14,00,000  | -                       | -                         | -                      | 14,00,000                          | 2.96   |
| DMI Employment Contract 2020               | 23,068   | -                       | -                         | -                      | 23,068                             | 3.88   |
| DMI Retention Bonus (NBFC Apr'20)          | 5,80,000   | -                       | -                         | -                      | 5,80,000                           | 3  |
| DMI Finance ESOP Plan 2020                 | 3,99,387   | -                       | 10,564                    | -                      | 3,88,823                           | 3  |
| DMI Variable2019-20                        | 11,355   | -                       | 1,490                     | -                      | 9,865                              | 3.76   |
| DMI Finance Plan 2021                      | -  | 4,33,708                | -                         | -                      | 4,33,708                           | 4.01   |
| DMI Finance Plan 2021                      | -  | 2,00,000                | -                         | -                      | 2,00,000                           | 4.01   |
| Founder Circle Award 2020-21 (NBFC Apr'21) | -  | 4,30,000                | -                         | -                      | 4,30,000                           | 4.01   |
| Founder Circle Award 2020-21 (NBFC Jul'21) | -  | 37,23,000               | -                         | -                      | 37,23,000                          | 4.33   |
| DMI Employment Contract 2021-22 - I        | -  | 2,222                   | -                         | -                      | 2,222                              | 4.64   |
| DMI Employment Contract 2021-22 - II       | -  | 12,210                  | -                         | -                      | 12,210                             | 4.73   |
| DMI ESOP Plan, Management - III            | -  | 18,315                  | -                         | -                      | 18,315                             | 4.8  |
| DMI Employment Contract 2021-22 - III      | -  | 6,105                   | -                         | -                      | 6,105                              | 4.83   |
| DMI Employment Contract 2021-22 - IV       | -  | 7,326                   | -                         | -                      | 7,326                              | 4.92   |
| DMI Employment Contract 2021-22 - V        | -  | 3,663                   | -                         | -                      | 3,663                              | 4.94   |
| <b>Total</b>                               | <b>73,40,507</b>                                 | <b>48,36,549</b>        | <b>22,79,656</b>          | <b>-</b>               | <b>99,00,637</b>                   |  |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**III. Computation of fair value**

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

| Scheme Name                                | Fair market value of shares (Rs.) | Volatility | Risk free rate | Dividend Yield | Exercise price (Rs.) | Option fair value |
|--|-----------------------------------|------------|----------------|----------------|----------------------|-------------------|
| DMI ESOP PLAN 2019                         | 95.49                             | 30.00%     | 7.35%          | -              | 95.49                | 38.86             |
| DMI ESOP RETENTION PLAN 2019               | 101.87                            | 30.00%     | 6.50%          | -              | 100.00               | 40.75             |
| DMI ESOP PLAN 2018                         | 22.81                             | 15.00%     | 6.00%          | -              | 43.90                | 0.67              |
| DMI Retention Plan, 2018                   | 24.68                             | 15.00%     | 7.50%          | -              | 46.74                | 1.15              |
| DMI ESOP Plan, Management Scheme           | 95.49                             | 15.00%     | 7.50%          | -              | 62.21                | 49.45             |
| DMI ESOP Plan, Legacy Scheme               | 24.68                             | 15.00%     | 7.00%          | -              | 13.29                | 15.32             |
| DMI Employment Contract 2020               | 113.34                            | 30.00%     | 6.14%          | -              | 113.34               | 43.35             |
| DMI Retention Bonus (NBFC Apr'20)          | 116.36                            | 30.00%     | 6.14%          | -              | 116.36               | 44.51             |
| DMI Finance ESOP Plan 2020                 | 116.36                            | 30.00%     | 6.14%          | -              | 116.36               | 44.51             |
| DMI Variable 2019-20                       | 113.34                            | 30.00%     | 6.14%          | -              | 113.34               | 43.35             |
| DMI Finance Plan 2021                      | 113.00                            | 30.00%     | 6.60%          | -              | 113.34               | 43.49             |
| DMI Finance Plan 2021                      | 113.00                            | 30.00%     | 6.60%          | -              | 113.00               | 43.30             |
| Founder Circle Award 2020-21 (NBFC Apr'21) | 113.00                            | 30.00%     | 6.14%          | -              | 113.34               | 43.49             |
| Founder Circle Award 2020-21 (NBFC Jul'21) | 112.86                            | 30.00%     | 6.14%          | -              | 112.86               | 43.17             |
| DMI Employment Contract 2021-22 - I        | 209.00                            | 30.00%     | 6.60%          | -              | 209.00               | 81.89             |
| DMI Employment Contract 2021-22 - II       | 209.00                            | 30.00%     | 6.60%          | -              | 209.00               | 81.89             |
| DMI ESOP Plan, Management - III            | 209.00                            | 30.00%     | 6.60%          | -              | 209.00               | 81.89             |
| DMI Employment Contract 2021-22 - III      | 209.00                            | 30.00%     | 6.60%          | -              | 209.00               | 81.89             |
| DMI Employment Contract 2021-22 - IV       | 209.00                            | 30.00%     | 6.60%          | -              | 209.00               | 81.89             |
| DMI Employment Contract 2021-22 - V        | 209.00                            | 30.00%     | 6.60%          | -              | 209.00               | 81.89             |
| DMI Finance ESOP Plan 2022 - I             | 212.81                            | 29.82%     | 6.83%          | -              | 212.81               | 84.13             |
| DMI Finance ESOP Plan 2022 - II            | 212.81                            | 29.82%     | 6.83%          | -              | 212.81               | 84.13             |
| Employment Contract - Aug'22 - II          | 217.77                            | 29.91%     | 7.65%          | -              | 217.77               | 89.83             |
| Employment Contract - Aug'22 - III         | 217.77                            | 29.91%     | 7.65%          | -              | 217.77               | 89.83             |
| Employment Contract - Jun'22               | 212.81                            | 29.82%     | 6.83%          | -              | 212.81               | 84.13             |
| Employment Contract - Mar'23               | 225.11                            | 29.91%     | 7.65%          | -              | 225.11               | 92.86             |
| Employment Contract - Nov'22               | 217.77                            | 29.91%     | 7.65%          | -              | 221.53               | 88.32             |
| Employment Contract - Sep'22               | 217.77                            | 29.91%     | 7.65%          | -              | 221.53               | 88.32             |
| Employment Contracts - Apr'22              | 212.81                            | 29.82%     | 6.83%          | -              | 212.81               | 84.13             |
| Employment Contracts - Jul'22              | 217.77                            | 29.91%     | 7.65%          | -              | 217.77               | 89.83             |
| Employment Contracts - May'22              | 212.81                            | 29.82%     | 6.83%          | -              | 212.81               | 84.13             |
| Founder Circle Award 2022-23 (NBFC Feb'23) | 225.11                            | 29.91%     | 7.65%          | -              | 225.11               | 103.28            |

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

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

During the Financial year 2018-19, as per the scheme options were granted to employees of the Granter. The Company has recognised the expense of Rs. 0.07 Millions (previous year: Rs. 0.70 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 10.06 millions as on March 31, 2023 (Rs. 9.99 Millions as on March 31, 2022).

The employees' compensation expense for Stock options during the year ended 31 March 2023 amounts to Rs. 133.41 millions (previous year Rs. 72.86 millions).





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

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

**(a) List of related parties**

**Holding company**  
DMI Limited

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

**Associate**  
DMI Alternatives Private Limited

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

**Key managerial personnel (KMP)**

| Name                       | Designation                               |
|----------------------------|---|
| Mr. Yuvraja Chanakya Singh | Joint Managing Director                   |
| Mr. Shivashish Chatterjee  | Joint Managing Director                   |
| Mrs. Bina Singh            | Director                                  |
| Mrs. Jayati Chatterjee     | Director                                  |
| Mr. Gurcharan Das          | Director                                  |
| Mr. Gaurav Burman          | Director                                  |
| Mr. Tamer Amr              | Director (upto 14 November 2022)          |
| Mr. Nipender Kochhar       | Director                                  |
| Mr. Krishan Gopal          | Chief Financial Officer                   |
| Mr. Sahib Pahwa            | Company Secretary                         |
| Mr. Alfred Mendoza         | Nominee Director (w.e.f 14 November 2022) |

**Relatives of KMP**  
Mrs. Mallika Singh  
Ms. Promita Chatterjee

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:

K2VZ, Partnership Firm  
DMI Alternative Investment Fund  
Quickwork Technologies Private Limited

**Entity with Significant influence**  
Ganesh Fixed Income Limited

**(b) Significant transactions with related parties:**

| Name of related party                   | Nature of transaction  | For the year ended | For the year ended |
|---|--|--------------------|--------------------|
|   |  | March 31, 2023     | March 31, 2022     |
| DMI Housing Finance Private Limited     | Cost share recovery  | 63.09              | 59.70              |
|   | Share based payment  | 12.45              | 0.70               |
|   | Reimbursement of expense paid by related party on behalf of entity | 4.00               | 3.67               |
|   |  |                    |                    |
| DMI Management services Private Limited | Cost share recovery  | 0.06               | 0.06               |
| DMI Capital Private Limited             | Cost share recovery  | 0.60               | 0.60               |
|   | Share based payment  | 0.81               | -                  |
| DMI Alternatives Private Limited        | Cost share recovery  | 88.21              | 60.70              |
|   | Share based payment  | 0.85               | 0.13               |
|   | Reimbursement of expense incurred on behalf of related party       | 1.34               | 5.49               |
|   |  |                    |                    |
| Ganesh Fixed Income Limited             | Interest expenses  | 11.39              | 11.39              |
| Appnit Technologies Pvt Ltd             | Cost share recovery  | 13.85              | -                  |
|   | Reimbursement of expense paid by related party on behalf of entity | 1.65               | -                  |
|   | Other expenses   | 13.20              | -                  |
|   |  |                    |                    |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

| Name of related party                  | Nature of transactions   | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|--|--------------------------|--------------------------------------|--------------------------------------|
| Mr. Sahib Pahwa*                       | Interest income          | -                                    | 0.03                                 |
|  | Remuneration             | 6.03                                 | 5.18                                 |
|  | Loan received back       | -                                    | 0.51                                 |
| Mrs. Bina Singh                        | Sitting fee              | 0.14                                 | 0.12                                 |
|  | Share Warrants Expense   | -                                    | 0.77                                 |
| Mr. Yuvraja Chanakya Singh             | Remuneration             | 42.56                                | 35.20                                |
|  | Post employment benefits | 0.36                                 | 0.36                                 |
| Mr. Shivashish Chatterjee              | Remuneration             | 41.40                                | 26.31                                |
|  | Post employment benefits | 0.36                                 | 0.36                                 |
| Mrs. Jayati Chatterjee                 | Sitting fees             | 0.24                                 | 0.22                                 |
|  | Share Warrants Expense   | -                                    | 0.77                                 |
| Mr. Gurcharan Das                      | Sitting fees             | 0.14                                 | 0.12                                 |
|  | Share Warrants Expense   | -                                    | 0.77                                 |
| Mr. Nipender Kochhar                   | Sitting fees             | 0.24                                 | 0.22                                 |
|  | Share Warrants Expense   | -                                    | 0.77                                 |
| Mr. Krishan Gopal*                     | Remuneration             | 10.69                                | 9.35                                 |
| Quickwork Technologies Private Limited | Other Expenses           | 5.81                                 | 1.08                                 |
| Ms. Paromita Chatterjee                | Consultancy Fee          | 1.19                                 | 0.70                                 |

\*Remuneration does not include post employment benefits

**(c) Outstanding balances with related parties:**

| Name of related party               | Nature of balances                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------------------|--|-------------------------|-------------------------|
| DMI Alternatives Private Limited    | Employee Stock<br>Option Plan<br>recoverable     | 4.10                    | 4.96                    |
|                                     | Trade Receivable                                 | 26.98                   | -                       |
| DMI Capital Private Limited         | Employee Stock                                   | 0.81                    | -                       |
|                                     | Option Plan<br>recoverable                       |                         |                         |
| DMI Housing Finance Private Limited | Employee Stock<br>Option Plan payable            | 22.45                   | 9.99                    |
|                                     | Corporate<br>Guarantee                           | 3,878.97                | 4,329.99                |
| Ganesha Fixed Income Limited        | Borrowings from<br>Non-convertible<br>debentures | 134.00                  | 134.00                  |

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

There is no loan or advance given by the Company to either holding company or subsidiary companies.





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

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

42 In terms of Requirement as per RBI notification no. RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting standards, Non-banking Financial Companies (NBFCs) are required to create an Impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset classification and provisioning (IRACP) norms (including provision on Standard Asset). The impairment allowances under Ind AS 109 made by Company exceeds the total Provision required under IRACP (including Standard Asset provisioning), as at March 31, 2023 and accordingly no amount is required to be transferred to impairment reserve

43 **Capital**

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

**(i) Capital management:**

**Objective**

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

**Planning**

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

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

**(ii) Regulatory capital**

CRAR - Tier I capital (%)

CRAR - Tier II capital (%)

CRAR (%)

|                            | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------|----------------------|----------------------|
| CRAR - Tier I capital (%)  | 49.94%               | 57.46%               |
| CRAR - Tier II capital (%) | 0.93%                | 3.85%                |
| CRAR (%)                   | 50.87%               | 61.31%               |

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

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

**a. Contingent liabilities**

**Contingent liabilities not provided in respect of:**

- i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)  
ii. Guarantees issued by bankers on behalf of Company

**Claims against the Company not acknowledged as debt**

- i. Income tax (note 2)

|  | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1) | 3,878.97             | 4,329.99             |
| ii. Guarantees issued by bankers on behalf of Company                          | -                    | -                    |
| Claims against the Company not acknowledged as debt                            |                      |                      |
| i. Income tax (note 2)   | 2.26                 | 2.26                 |

**Notes:**

1. The Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. 3,878.97 million as at March 31, 2023 (March 31, 2022: Rs. 4,329.99 million)

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

**b. Commitments**

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

Commitments for intangible assets under development (net of advances)

|  | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| Commitments for acquisition of property, plant and equipment (net of advances) | 4.05                 | 18.25                |
| Commitments for intangible assets under development (net of advances)          | 2.90                 | -                    |

**c. Others**

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

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

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



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
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**45 Reconciliation of liabilities arising from financing activities**

| Particulars  | Debt securities  | Borrowings other than debt securities | Liability against leased assets | Total            |
|--|------------------|---------------------------------------|---------------------------------|------------------|
| April 1, 2021  | 18,551.69        | 1,181.19                              | 242.29                          | 19,975.17        |
| <b>Cash flows:</b>   |                  |                                       |                                 |                  |
| - Repayment  | -                | (1,077.84)                            | (57.10)                         | (1,134.94)       |
| - Proceeds   | -                | 8,850.00                              | -                               | 8,850.00         |
| <b>Non-cash</b>  |                  |                                       |                                 |                  |
| - Deferment / amortisation of upfront fees and other charges | 0.58             | 12.18                                 | -                               | 12.76            |
| - Additions during the year                                  | -                | -                                     | 75.08                           | 75.08            |
| - Others   | -                | -                                     | 16.09                           | 16.09            |
| <b>March 31, 2022</b>  | <b>18,552.27</b> | <b>8,965.53</b>                       | <b>276.36</b>                   | <b>27,794.16</b> |
| <b>Cash flows:</b>   |                  |                                       |                                 |                  |
| - Repayment  | (3,219.16)       | (16,664.49)                           | (70.67)                         | (19,954.32)      |
| - Proceeds   | 1,500.00         | 31,517.19                             | -                               | 33,017.19        |
| <b>Non-cash</b>  |                  |                                       |                                 |                  |
| - Deferment / amortisation of upfront fees and other charges | 4.80             | 70.28                                 | -                               | 75.08            |
| - Additions during the year                                  | -                | -                                     | 10.27                           | 10.27            |
| - Others   | -                | -                                     | 26.33                           | 26.33            |
| <b>March 31, 2023</b>  | <b>16,837.91</b> | <b>23,888.51</b>                      | <b>242.29</b>                   | <b>40,968.71</b> |

**46 Leases**

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

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

| Particulars                           | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year  | 234.95         | 210.71         |
| Additions made during the year        | 10.27          | 75.08          |
| Amortisation on right of use assets   | 48.87          | 50.84          |
| <b>Balance at the end of the year</b> | <b>196.35</b>  | <b>234.95</b>  |

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

| Particulars                           | March 31, 2023 | March 31, 2022 |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year  | 276.36         | 242.29         |
| Additions made during the year        | 10.27          | 75.08          |
| Interest accretion for the year       | 26.33          | 16.09          |
| Payments made during the year         | (70.67)        | (57.10)        |
| <b>Balance at the end of the year</b> | <b>242.29</b>  | <b>276.36</b>  |

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

The following are the amounts recognized in profit and loss :

| Particulars  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Depreciation expense in respect of right-of-use asset              | 48.87          | 50.84          |
| Interest expense in respect of lease liabilities                   | 26.33          | 16.09          |
| Expense relating to short-term leases (included on other expenses) | 10.69          | 4.58           |
| <b>Total amount recognised in profit or loss</b>                   | <b>85.89</b>   | <b>71.51</b>   |

The Company's total cash outflows for leases was Rs 70.67 Millions during the year (previous year Rs 57.10 Millions)

**Maturity Analysis of Lease Liabilities**

| Particulars                   | March 31, 2023 | March 31, 2022 |
|-------------------------------|----------------|----------------|
| Upto 1 month                  | 4.27           | 2.65           |
| Over 1 month to 2 month       | 4.30           | 2.83           |
| Over 2 months to 3 months     | 4.36           | 3.82           |
| Over 3 months to 6 months     | 13.47          | 11.66          |
| Over 6 months to 1 year       | 28.37          | 24.02          |
| Over 1 year to 3 years        | 71.63          | 80.24          |
| Over 3 years and upto 5 years | 79.71          | 72.20          |
| Over 5 years                  | 36.18          | 78.94          |
| <b>Total</b>                  | <b>242.29</b>  | <b>276.36</b>  |



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
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**47 Tax expenses**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are :

|   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---|------------------------------|------------------------------|
| Current tax   | 1,520.76                     | 645.05                       |
| Deferred tax credit   | (382.34)                     | (441.32)                     |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>1,138.42</b>              | <b>203.73</b>                |

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (March 31, 2022: 25.17%) and the reported tax expense in statement of profit and loss are as follows:

|  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--|------------------------------|------------------------------|
| Profit before tax  | 4,378.58                     | 781.53                       |
| Income-tax rate  | 25.17%                       | 25.17%                       |
| <b>Expected tax expense</b>                                      | <b>1,102.00</b>              | <b>196.70</b>                |
| Expenditure on Corporate Social Responsibility disallowed u/s 37 | 4.09                         | 4.38                         |
| Interest paid to Associated Enterprise disallowed u/s 94B        | 2.87                         | -                            |
| Reversal of DTA on Interest Paid to Associated Enterprise        | 31.39                        | -                            |
| Capital Expenditure disallowed u/s 37                            | 0.63                         | 2.08                         |
| Others   | (2.56)                       | 0.57                         |
| <b>Tax expense</b>   | <b>1,138.42</b>              | <b>203.73</b>                |





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**48 Maturity analysis of assets and liabilities:**

| Particulars   | As at March 31, 2023 |                  |                  | As at March 31, 2022 |                  |                  |
|---|----------------------|------------------|------------------|----------------------|------------------|------------------|
|   | Within 12 months     | After 12 months  | Total            | Within 12 months     | After 12 months  | Total            |
| <b>ASSETS</b>   |                      |                  |                  |                      |                  |                  |
| <b>Financial assets</b>   |                      |                  |                  |                      |                  |                  |
| Cash and cash equivalents   | 5,628.39             | -                | 5,628.39         | 6,533.27             | -                | 6,533.27         |
| Bank balance other than cash and cash equivalents   | 421.78               | 138.32           | 560.10           | 294.45               | -                | 294.45           |
| Trade receivables   | 308.05               | -                | 308.05           | 57.07                | -                | 57.07            |
| Loans   | 46,041.37            | 21,289.96        | 67,331.33        | 30,117.80            | 16,683.35        | 46,801.15        |
| Investments   | 4,194.09             | 4,271.05         | 8,465.14         | 6,960.76             | 3,728.10         | 10,688.86        |
| Other financial assets  | 983.85               | 105.70           | 1,089.55         | 847.73               | 760.35           | 1,608.08         |
| <b>Non-financial assets</b>   |                      |                  |                  |                      |                  |                  |
| Current tax assets (net)  | 185.78               | -                | 185.78           | 284.71               | -                | 284.71           |
| Deferred tax assets (net)   | -                    | 1,127.16         | 1,127.16         | -                    | 803.53           | 803.53           |
| Property, plant and equipment   | -                    | 140.53           | 140.53           | -                    | 104.18           | 104.18           |
| Capital work in progress  | -                    | -                | -                | -                    | 23.27            | 23.27            |
| Right to use assets   | 52.61                | 143.74           | 196.35           | 50.30                | 184.65           | 234.95           |
| Intangible assets   | -                    | 21.66            | 21.66            | -                    | 31.41            | 31.41            |
| Intangible assets under development   | -                    | 8.78             | 8.78             | -                    | -                | -                |
| Other non-financial assets  | 163.42               | 2.24             | 165.66           | 103.56               | -                | 103.56           |
| Assets held for sale  | 75.00                | -                | 75.00            | 143.88               | -                | 143.88           |
|   | <b>58,054.34</b>     | <b>27,249.14</b> | <b>85,303.48</b> | <b>45,393.53</b>     | <b>22,318.84</b> | <b>67,712.37</b> |
| <b>LIABILITIES AND EQUITY</b>   |                      |                  |                  |                      |                  |                  |
| <b>LIABILITIES</b>  |                      |                  |                  |                      |                  |                  |
| <b>Financial liabilities</b>  |                      |                  |                  |                      |                  |                  |
| <b>A) Trade payables</b>  |                      |                  |                  |                      |                  |                  |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 8.97                 | -                | 8.97             | 94.79                | -                | 94.79            |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,133.20             | -                | 1,133.20         | 659.67               | -                | 659.67           |
| <b>B) Other payables</b>  |                      |                  |                  |                      |                  |                  |
| (i) total outstanding dues of micro enterprises and small enterprises                       | -                    | -                | -                | -                    | -                | -                |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 525.06               | -                | 525.06           | 379.87               | -                | 379.87           |
| Debt securities   | 15,353.00            | 1,484.91         | 16,837.91        | 3,200.00             | 15,352.27        | 18,552.27        |
| Borrowings (other than debt securities)   | 12,123.90            | 11,764.61        | 23,888.51        | 3,397.96             | 5,567.57         | 8,965.53         |
| Lease liabilities   | 54.77                | 187.52           | 242.29           | 44.99                | 231.37           | 276.36           |
| Other financial liabilities   | 226.08               | 57.90            | 283.98           | 162.87               | -                | 162.87           |
| <b>Non financial liabilities</b>  |                      |                  |                  |                      |                  |                  |
| Provisions  | 2.48                 | 93.87            | 96.35            | 1.82                 | 75.43            | 77.25            |
| Other non-financial liabilities   | 221.33               | 4.71             | 226.04           | 62.89                | -                | 62.89            |
| <b>Equity</b>   |                      |                  |                  |                      |                  |                  |
| Equity share capital  | -                    | 6,567.75         | 6,567.75         | -                    | 6,567.00         | 6,567.00         |
| Other equity  | -                    | 35,493.42        | 35,493.42        | -                    | 31,913.87        | 31,913.87        |
|   | <b>29,648.79</b>     | <b>55,654.69</b> | <b>85,303.48</b> | <b>8,004.86</b>      | <b>59,707.51</b> | <b>67,712.37</b> |



**DMI Finance Private Limited**  
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49 Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

(Amount in Rs. Crores)

| Asset Classification as per RBI Norms<br>(1)  | Asset classification as per Ind AS 109<br>(2) | Gross Carrying Amount as per Ind AS<br>(3) | Loss Allowances (Provisions) as required under Ind AS 109<br>(4) | Net Carrying Amount<br>(5)=(3)-(4) | Provisions required as per IRACP norms<br>(6) | Difference between Ind AS 109 provisions and IRACP norms<br>(7) = (4)-(6) |
|---|---|--|--|------------------------------------|---|---|
| <b>Performing Assets</b>  |   |  |  |                                    |   |   |
| Standard  | Stage 1                                       | 6,892.61                                   | 164.19   | 6,728.42                           | 27.57   | 136.62  |
|   | Stage 2                                       | 347.47                                     | 183.17   | 164.30                             | 1.39  | 181.78  |
| <b>Subtotal</b>   |   | <b>7,240.08</b>                            | <b>347.36</b>  | <b>6,892.72</b>                    | <b>28.96</b>                                  | <b>318.40</b>   |
| <b>Non-Performing Assets (NPA)</b>  |   |  |  |                                    |   |   |
| Substandard   | Stage 3                                       | 175.48                                     | 69.05  | 106.43                             | 17.55   | 51.50   |
| Doubtful - up to 1 year   | Stage 3                                       | -  | -  | -                                  | -   | -   |
| 1 to 3 years  | Stage 3                                       | 95.16                                      | 91.46  | 3.70                               | 28.55   | 62.91   |
| More than 3 years   | Stage 3                                       | -  | -  | -                                  | -   | -   |
| <b>Subtotal for doubtful</b>  |   | <b>95.16</b>                               | <b>91.46</b>   | <b>3.70</b>                        | <b>28.55</b>                                  | <b>62.91</b>  |
| Loss  | Stage 3                                       | -  | -  | -                                  | -   | -   |
| <b>Subtotal for NPA</b>   |   | <b>270.64</b>                              | <b>160.51</b>  | <b>110.13</b>                      | <b>46.10</b>                                  | <b>114.41</b>   |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1                                       | -  | -  | -                                  | -   | -   |
|   | Stage 2                                       | -  | -  | -                                  | -   | -   |
|   | Stage 3                                       | -  | -  | -                                  | -   | -   |
| <b>Subtotal</b>   |   | <b>-</b>                                   | <b>-</b>   | <b>-</b>                           | <b>-</b>                                      | <b>-</b>  |
| <b>Total</b>  | Stage 1                                       | <b>6,892.61</b>                            | <b>164.19</b>  | <b>6,728.42</b>                    | <b>27.57</b>                                  | <b>136.62</b>   |
|   | Stage 2                                       | <b>347.47</b>                              | <b>183.17</b>  | <b>164.30</b>                      | <b>1.39</b>                                   | <b>181.78</b>   |
|   | Stage 3                                       | <b>270.64</b>                              | <b>160.51</b>  | <b>110.13</b>                      | <b>46.10</b>                                  | <b>114.41</b>   |
|   | <b>Total</b>                                  | <b>7,510.72</b>                            | <b>507.87</b>  | <b>7,002.85</b>                    | <b>75.06</b>                                  | <b>432.81</b>   |



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**50 Segment information**

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

**51 Risk management**

**Introduction and risk profile**

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

**Risk management structure and policies**

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

**(A) Liquidity risk**

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

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

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

| March 31, 2023                                    | upto 1 month | Over 1month to 2 month | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1year to 3 years | Over 3 years to 5 years | Over 5 years | Total     |
|---|--------------|------------------------|---------------------------|---------------------------|-------------------------|-----------------------|-------------------------|--------------|-----------|
| <b>Financial assets</b>                           |              |                        |                           |                           |                         |                       |                         |              |           |
| Cash and cash equivalents                         | 5,628.39     | -                      | -                         | -                         | -                       | -                     | -                       | -            | 5,628.39  |
| Bank balance other than Cash and cash equivalents | 219.10       | -                      | 24.03                     | 0.20                      | 178.45                  | 138.32                | -                       | -            | 560.10    |
| Trade receivables                                 | 266.76       | 41.29                  | -                         | -                         | -                       | -                     | -                       | -            | 308.05    |
| Loans   | 5,903.44     | 7,440.46               | 7,554.25                  | 16,298.35                 | 16,681.26               | 22,812.66             | 4,959.68                | 2,170.97     | 83,821.08 |
| Investments                                       | 156.66       | 206.20                 | 1,106.57                  | 1,774.12                  | 1,691.09                | 3,139.62              | 1,063.70                | 1,697.22     | 10,835.18 |
| Other financial assets                            | 343.73       | -                      | 314.06                    | 322.74                    | 3.32                    | 81.81                 | -                       | 23.89        | 1,089.55  |
| <b>Financial liabilities</b>                      |              |                        |                           |                           |                         |                       |                         |              |           |
| Payables  | 336.22       | 663.34                 | 337.03                    | 39.55                     | 291.09                  | -                     | -                       | -            | 1,667.23  |
| Debt securities                                   | -            | 298.41                 | 566.45                    | 329.90                    | 15,450.30               | 1,762.90              | -                       | -            | 18,407.96 |
| Borrowings (other than debt securities)           | 3,238.70     | 669.00                 | 1,553.20                  | 2,790.70                  | 5,483.90                | 12,071.40             | 826.40                  | -            | 26,633.30 |
| Lease liabilities                                 | 6.29         | 6.29                   | 6.31                      | 19.10                     | 38.58                   | 102.01                | 95.52                   | 41.65        | 315.75    |
| Other financial liabilities                       | 75.49        | 112.26                 | 38.35                     | -                         | -                       | 57.89                 | -                       | -            | 283.98    |

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

**(B) Credit risk**

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

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

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

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

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





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**Analysis of risk concentration**

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

| March 31, 2023                                       | Financial services | Government | Real estate     | MSME          | Services and manufacturing | Retail           | Others          | Total            |
|--|--------------------|------------|-----------------|---------------|----------------------------|------------------|-----------------|------------------|
| <b>Financial asset</b>                               |                    |            |                 |               |                            |                  |                 |                  |
| Cash and cash equivalents                            | 5,628.39           | -          | -               | -             | -                          | -                | -               | 5,628.39         |
| Bank balance other than cash and cash equivalents    | 560.10             | -          | -               | -             | -                          | -                | -               | 560.10           |
| Loans - Corporate (contractual amount of loans)      | 49.85              | -          | 8,303.82        | -             | 459.17                     | 631.29           | -               | 9,444.13         |
| Loans - Consumer loans (contractual amount of loans) | -                  | -          | -               | 579.75        | -                          | 57,307.45        | -               | 57,887.20        |
| Trade receivables                                    | 26.98              | -          | -               | -             | -                          | 281.07           | -               | 308.05           |
| Investments  | 1,088.12           | -          | 618.03          | -             | 3,225.26                   | -                | 3,533.73        | 8,465.14         |
| Other financial assets                               | -                  | -          | -               | -             | -                          | 1,063.41         | -               | 1,089.55         |
| <b>Total</b>   | <b>7,353.44</b>    | <b>-</b>   | <b>8,921.85</b> | <b>579.75</b> | <b>3,684.43</b>            | <b>59,283.22</b> | <b>3,559.87</b> | <b>83,382.56</b> |

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

**(C) Market risk**

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

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

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

**Total market risk exposure**

| Particulars                                     | As at March 31, 2023 | As at March 31, 2022 | Primary risk sensitivity |
|---|----------------------|----------------------|--------------------------|
| <b>ASSETS</b>                                   |                      |                      |                          |
| <b>Financial assets</b>                         |                      |                      |                          |
| Investments (Other than credit substitutes)     | 4,412.93             | 9,997.08             | Equity price             |
| Credit substitutes and pass through certificate | 5,169.38             | 2,204.96             | Interest rate            |
| <b>LIABILITIES</b>                              |                      |                      |                          |
| <b>Financial liabilities</b>                    |                      |                      |                          |
| Debt securities                                 | 16,837.91            | 18,552.27            | Interest rate            |
| Borrowings (other than debt securities)         | 23,888.51            | 8,965.53             | Interest rate            |

**(i) Interest rate risk:-**

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

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

- Changes in regulatory or market conditions affecting the interest rates
- Short term volatility
- Prepayment risk translating into a reinvestment risk
- Real interest rate risk.

**Interest rate risk exposure**

|                          | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| Variable Rate Borrowings | 25,373.57            | 8,965.53             |
| Fixed Rate Borrowings    | 15,352.85            | 18,552.27            |

**Interest rate sensitivity**

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

| Particulars                 | Effect on net profit                 |                                      |
|-----------------------------|--------------------------------------|--------------------------------------|
|                             | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| Decrease in 50 basis points | 71.54                                | 25.13                                |
| Increase in 50 basis points | (71.54)                              | (25.13)                              |

**(ii) Equity price risk**

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's FVOCI equities at 31 March 2023 would have increased equity by Rs. 330.83 millions (Previous year: Rs 268.56 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Company's FVTPL equities at 31 March 2023 would have increased profits by Rs. 22.70 millions (Previous year: Rs. 653.54 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

**(iii) Foreign Currency risk exposure**

The Company is not exposed to foreign currency risk exposure.



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**52 Financial instruments**

**Valuation principles**

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

**Valuation governance**

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

**Assets and liabilities by fair value hierarchy**

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

|  | 31 March 2023 |          |          | 31 March 2022 |          |         |          |           |
|--|---------------|----------|----------|---------------|----------|---------|----------|-----------|
|  | Level 1       | Level 2  | Level 3  | Total         | Level 1  | Level 2 | Level 3  | Total     |
| <b>Assets measured at fair value on a recurring basis</b>                    |               |          |          |               |          |         |          |           |
| <i>Financial investment measured at FVTPL</i>                                |               |          |          |               |          |         |          |           |
| Mutual funds   | -             | -        | -        | -             | 5,709.86 | -       | -        | 5,709.86  |
| Security receipts of Alchemist XV Trust                                      | -             | -        | -        | -             | -        | -       | 194.11   | 194.11    |
| Compulsorily convertible debentures of Azad Engineering Private Limited      | -             | -        | -        | -             | -        | -       | 631.43   | 631.43    |
| Optionally convertible debentures of Azad Engineering Private Limited        | -             | -        | -        | -             | -        | -       | 434.44   | 434.44    |
| Compulsorily convertible preference shares in DMI Capital Private Limited    | -             | -        | 385.56   | 385.56        | -        | -       | 363.84   | 363.84    |
| Equity shares in Azad Engineering Private Limited                            | -             | -        | 227.04   | 227.04        | -        | -       | -        | -         |
| Investment in pass through certificate                                       | -             | 3,515.31 | -        | 3,515.31      | -        | -       | -        | -         |
| <b>Total financial investment measured at FVTPL</b>                          | -             | -        | 4,127.91 | 4,127.91      | 5,709.86 | -       | 1,623.82 | 7,333.68  |
| <i>Financial investments measured at FVOCI</i>                               |               |          |          |               |          |         |          |           |
| Credit Substitutes   | -             | -        | 537.43   | 537.43        | -        | -       | 514.24   | 514.24    |
| Compulsory convertible debentures of Flash Electronics India Private Limited | -             | -        | 1,560.00 | 1,560.00      | -        | -       | 1,148.13 | 1,148.13  |
| Compulsory convertible debentures of Biorad Medisys Private Limited          | -             | -        | 600.27   | 600.27        | -        | -       | -        | -         |
| Loans  | -             | -        | 137.80   | 137.80        | -        | -       | 367.90   | 367.90    |
| Non-convertible debentures - unquoted  | -             | -        | 9.73     | 9.73          | -        | -       | 10.10    | 10.10     |
| Units of DMI AIF Special Opportunities Scheme                                | -             | -        | -        | -             | -        | -       | -        | -         |
| Equity Instruments   | -             | -        | 3.48     | 3.48          | -        | -       | 3.37     | 3.37      |
| DMI Consumer Credit Private Limited  | -             | -        | 215.76   | 215.76        | -        | -       | 215.76   | 215.76    |
| Alchemist Asset Reconstruction Company Limited                               | -             | -        | 818.97   | 818.97        | -        | -       | 793.97   | 793.97    |
| Flash Electronics Private Limited  | -             | -        | 100.10   | 100.10        | -        | -       | -        | -         |
| Radiant Polymers Private Limited   | -             | -        | 3,983.54 | 3,983.54      | -        | -       | 3,053.47 | 3,053.47  |
| <b>Total financial investments measured at FVOCI</b>                         | -             | -        | 8,111.45 | 8,111.45      | 5,709.86 | -       | 4,677.29 | 10,387.15 |
| <b>Total financial assets measured at fair value</b>                         | -             | -        | 8,111.45 | 8,111.45      | 5,709.86 | -       | 4,677.29 | 10,387.15 |



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**Valuation techniques**

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

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

**Equity instruments measured at FVOCI**

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

**Debt Securities and loans at FVOCI**

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the Year ended March 31, 2023 and March 31, 2022

**Movements in Level 3 financial instruments measured at fair value**

|  | Equity Shares | Units of DMI AIF Special Opportunities Scheme | Security receipts of Alchemist XV Trust | Credit Substitutes* | NCD Unquoted* | Compulsorily Convertible Debentures* | Optionally Convertible Debentures* | Compulsorily convertible preference shares - DMI Capital Private Limited | Pass Through Certificate | Total      |
|--|---------------|---|---|---------------------|---------------|--------------------------------------|------------------------------------|--|--------------------------|------------|
| <b>At April 01, 2021</b>   | 533.87        | 11.01   | 194.11                                  | 497.68              | 142.83        | 826.47                               | -                                  | 312.78   | -                        | 2,518.75   |
| Purchase   | -             | -   | -                                       | 100.00              | 230.60        | 180.00                               | 420.00                             | -  | -                        | 930.60     |
| Change in classification   | -             | -   | -                                       | -                   | -             | -                                    | -                                  | -  | -                        | -          |
| Income Accrued   | -             | -   | -                                       | -                   | -             | 103.41                               | 48.72                              | -  | -                        | 152.13     |
| Sales / settlements  | -             | (1.07)  | -                                       | (83.44)             | (5.52)        | (107.65)                             | (34.28)                            | -  | -                        | (231.96)   |
| Transfers into Level 3   | -             | -   | -                                       | -                   | -             | -                                    | -                                  | -  | -                        | -          |
| Transfer from Level 3  | -             | -   | -                                       | -                   | -             | -                                    | -                                  | -  | -                        | -          |
| Gains / loss for the period recognized in the Statement of Profit and Loss | 479.23        | 0.17  | -                                       | -                   | -             | 441.32                               | -                                  | 51.06  | -                        | 492.55     |
| Gains / loss for the period recognized in the other comprehensive income   | -             | -   | -                                       | -                   | -             | 336.01                               | -                                  | -  | -                        | 815.24     |
| <b>At March 31, 2022</b>   | 1,013.10      | 10.10   | 194.11                                  | 514.24              | 367.91        | 1,779.56                             | 434.44                             | 363.84   | -                        | 4,677.30   |
| Purchase   | 1,112.15      | -   | -                                       | -                   | -             | 600.00                               | -                                  | -  | 3906.86                  | 5,619.01   |
| Change in classification   | -             | -   | -                                       | -                   | -             | -                                    | -                                  | -  | -                        | -          |
| Income Accrued   | -             | -   | -                                       | 55.87               | 21.50         | 99.15                                | 22.5                               | -  | 91.97                    | 290.99     |
| Sales / settlements  | (376.20)      | -   | (194.11)                                | (22.54)             | (257.16)      | (746.71)                             | (581.32)                           | -  | (483.52)                 | (2,661.56) |
| Transfers into Level 3   | -             | -   | -                                       | -                   | -             | -                                    | -                                  | -  | -                        | -          |
| Transfer from Level 3  | (199.11)      | -   | -                                       | -                   | -             | -                                    | -                                  | -  | -                        | -          |
| Gains / loss for the period recognized in the Statement of Profit and Loss | (184.59)      | (0.37)  | -                                       | (10.14)             | -             | 5.46                                 | 124.38                             | 21.72  | -                        | (42.00)    |
| Gains / loss for the period recognized in the other comprehensive income   | -             | -   | -                                       | -                   | -             | 422.81                               | -                                  | -  | -                        | 227.71     |
| <b>At March 31, 2023</b>   | 1,365.35      | 9.73  | -                                       | 537.43              | 137.80        | 2,160.27                             | 385.56                             | 385.56   | 3,515.31                 | 8,111.45   |

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





**DMI Finance Private Limited**  
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**Impact on fair value of level 3 financial Instruments measured at fair value of changes to key assumptions**

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

| March 31, 2023  | Fair value of Level 3 assets | Valuation technique   | Significant unobservable inputs |
|---|------------------------------|---|---------------------------------|
| Compulsorily convertible preference shares in DMI Capital Private Limited | 385.56                       | Net Worth of Investee Company   | Instrument price                |
| Equity shares in DMI Consumer Credit Private Limited                      | 3.48                         | Net Worth of Investee Company   | Instrument price                |
| Compulsory convertible debentures of Biorad Medisys Private Limited       | 600.27                       | Discounted Projected Cash Flows                                       | Instrument price                |
| Equity shares in Alchemist Asset Reconstruction Company Limited           | 215.76                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Credit Substitutes  | 537.43                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Equity shares in Flash Electronics Private Limited                        | 818.97                       | Discounted Projected Cash Flows                                       | Instrument price                |
| Compulsory convertible debentures of Flash Electronics                    | 1,560.00                     | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Non-convertible debentures - unquoted                                     | 137.80                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Equity shares in Azad Engineering Private Limited                         | 227.04                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Equity shares in Radiant Polymers Private Limited                         | 100.10                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Units of DMI AIF Special Opportunities Scheme                             | 9.73                         | Assets under management of units of respective class of Investee Fund | Instrument price                |
| Investment in pass through certificate                                    | 3,515.31                     | Net Asset Value of Investee Company                                   | Instrument price                |
| <b>Total</b>  | <b>8,111.45</b>              |   |                                 |

| March 31, 2022  | Fair value of Level 3 assets | Valuation technique   | Significant unobservable inputs |
|---|------------------------------|---|---------------------------------|
| Compulsorily convertible preference shares in DMI Capital Private Limited | 363.84                       | Net Worth of Investee Company   | Instrument price                |
| Equity shares in DMI Consumer Credit Private Limited                      | 3.37                         | Net Worth of Investee Company   | Instrument price                |
| Compulsory convertible debentures of Azad Engineering Private Limited     | 631.43                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Equity shares in Alchemist Asset Reconstruction Company Limited           | 215.76                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Credit Substitutes  | 514.24                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Equity shares in Flash Electronics Private Limited                        | 793.97                       | Discounted Projected Cash Flows                                       | Instrument price                |
| Compulsory convertible debentures   | 1,148.13                     | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Non-convertible debentures - unquoted                                     | 367.90                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Security receipts of Alchemist XV Trust                                   | 194.11                       | Net asset value   | Instrument price                |
| Optionally convertible debentures of Azad Engineering Private Limited     | 434.44                       | Discounted Projected Cash Flows                                       | Discount margin / spread        |
| Units of DMI AIF Special Opportunities Scheme                             | 10.10                        | Assets under management of units of respective class of Investee Fund | Instrument price                |
| <b>Total</b>  | <b>4,677.29</b>              |   |                                 |

**Quantitative analysis of significant unobservable inputs**

**Instrument price**

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

**Discount margin/spreads**

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



**DMI Finance Private Limited**  
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**Sensitivity of fair value measurements to changes in unobservable market data**

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

| Particulars   | March 31, 2023     |                      | March 31, 2022     |                      |
|---|--------------------|----------------------|--------------------|----------------------|
|   | Favourable changes | Unfavourable changes | Favourable changes | Unfavourable changes |
| <b>Instruments measured through FVTPL</b>                                 |                    |                      |                    |                      |
| Compulsorily convertible preference shares in DMI Capital Private Limited | 38.56              | (38.56)              | 36.38              | (36.38)              |
| Compulsorily convertible debentures of Azad Engineering Private Limited   | -                  | -                    | 63.14              | (63.14)              |
| Equity shares of Azad Engineering Private Limited                         | 22.70              | (22.70)              | -                  | -                    |
| Investment in pass through certificate                                    | 351.53             | (351.53)             | -                  | -                    |
| <b>Total (A)</b>  | <b>412.79</b>      | <b>(412.79)</b>      | <b>99.52</b>       | <b>(99.52)</b>       |
| <b>Instruments measured through FVTOCI</b>                                |                    |                      |                    |                      |
| Equity shares in DMI Consumer Credit Private Limited                      | 0.35               | (0.35)               | 0.34               | (0.34)               |
| Equity shares in Alchemist Asset Reconstruction Company Limited           | 21.58              | (21.58)              | 21.58              | (21.58)              |
| Credit Substitutes  | 53.74              | (53.74)              | 51.42              | (51.42)              |
| Non-convertible debentures - unquoted                                     | 13.78              | (13.78)              | 36.79              | (36.79)              |
| Compulsory convertible debentures of Biorad Medisys Private Limited       | 60.03              | (60.03)              | -                  | -                    |
| Equity shares in Flash Electronics Private Limited                        | 81.90              | (81.90)              | 79.40              | (79.40)              |
| Compulsory convertible debentures of Flash Electronics Private Limited    | 156.00             | (156.00)             | 114.81             | (114.81)             |
| Equity shares in Radiant Polymers   | 10.01              | (10.01)              | -                  | -                    |
| Units of DMI AIF Special Opportunities Scheme                             | 0.97               | (0.97)               | 1.01               | (1.01)               |
| <b>Total (B)</b>  | <b>398.36</b>      | <b>(398.36)</b>      | <b>305.35</b>      | <b>(305.35)</b>      |
| <b>Total (A+B)</b>  | <b>811.16</b>      | <b>(811.16)</b>      | <b>404.87</b>      | <b>(404.87)</b>      |

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

**Fair value of financial instruments not measured at fair value**

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

| Financial assets:               | March 31, 2023 |                | March 31, 2022 |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | Fair value     | Carrying value | Fair value     | Carrying value |
| Loans and advances              |                |                |                |                |
| Corporate loans                 | 9,322.71       | 9,322.71       | 13,120.52      | 13,120.52      |
| Investments – at amortised cost |                |                |                |                |
| Credit Substitutes              | 447.94         | 447.94         | 758.25         | 758.25         |
| <b>Financial liabilities:</b>   |                |                |                |                |
| Debt securities                 | 16,837.91      | 16,837.91      | 18,553.00      | 18,553.00      |

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

**Valuation methodologies of financial instruments not measured at fair value**

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

**Borrowings - At Amortised cost**

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

**Investments - At amortised cost**



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

**Assets and liabilities other than above**

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





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

i) Registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;

The Company is a private limited company registered with Reserve Bank of India as a Non- banking finance company vide certificate of registration no. 14.03176 dated January 5, 2009

ii) Ratings assigned by credit rating agencies and migration of ratings during the year;

During the year the following ratings have been assigned to the Company

(Amount in Rs. crores)

| Name of the rating agency | Amount   | Rating                    | Type of facility                                 | At the beginning of year | Change during Year | Remarks  |
|---------------------------|----------|---------------------------|--|--------------------------|--------------------|--|
| Brickwork Ratings         | -        | Withdrawn                 | Bank Loan- Fund Based- Tem Loan                  | BWR AA-/Stable           | Withdrawn          | Withdrawn on July 5, 2022.   |
| Brickwork Ratings         | 50.00    | BWR AA-(Stable)           | Non-convertible debentures                       | BWR AA-(Stable)          | No Change          | Reaffirmed on July 5, 2022.  |
| CARE Ratings              | 285.00   | CARE AA-; Stable          | Long-term bank facilities                        | CARE AA-; Stable         | No Change          | Rating Reaffirmed on January 05, 2023<br>Rating Reaffirmed on March 23,2023  |
| CARE Ratings              | 50.00    | CARE AA-; Stable          | Long Term Instruments Non-convertible debentures | NA                       | Newly Assigned     | New Rating [CARE]AA- (Stable); Assigned on January 05, 2023<br>Rating Reaffirmed on March 23, 2023   |
| ICRA Ratings              | 300.00   | [ICRA]A1+                 | Commercial paper                                 | [ICRA]A1+                | No Change          | Rating Reaffirmed on April 18, 2022<br>Rating Reaffirmed on September 02, 2022<br>Rating Reaffirmed on October 18, 2022<br>Rating Reaffirmed on February 24,2023   |
| ICRA Ratings              | 100.00   | [ICRA]AA- (Stable)        | Non-convertible debentures                       | [ICRA]AA- (Stable)       | No change          | Rating Reaffirmed on April 18, 2022<br>Rating Reaffirmed on September 02, 2022<br>Rating Reaffirmed on October 18, 2022<br>Rating Reaffirmed on February 24,2023   |
| ICRA Ratings              | 3,962.00 | [ICRA]AA- (Stable)        | Long term Fund based bank facilities             | [ICRA]AA- (Stable)       | No change          | Rated amount enhanced from Rs. 750 Crores to Rs. 1350 Crores on April 18,2022; [ICRA]AA- (Stable); assigned/reaffirmed<br>Rated amount enhanced from Rs. 1350 Crores to Rs. 3850 Crores on September 02 ,2022; [ICRA]AA- (Stable); assigned/reaffirmed<br>Rating Reaffirmed on October 18, 2022<br>Rated amount enhanced from Rs. 3850 Crores to Rs. 3962 Crores on February 24, 2023; [ICRA]AA- (Stable); assigned/reaffirmed |
| ICRA Ratings              | 200.00   | PP-MLD [ICRA]AA- (Stable) | Long-term Market Linked Debentures               | NA                       | Newly Assigned     | New Rating of PP-MLD[ICRA]AA- (Stable); Assigned on October 18, 2022<br>Rating Reaffirmed on February 24,2023  |
| ICRA Ratings              | 97.88    | [ICRA]AAA(SO)             | PTC Series A (MOST-I)                            | NA                       | Newly Assigned     | New Rating of Provisional [ICRA]AA+ (SO); Assigned on June 30, 2022<br>[ICRA]AA+ (SO) Provisional rating confirmed as final on November 11, 2022<br>Rating upgraded from [ICRA]AA+ (SO) to [ICRA]AAA (SO) on February 16, 2023   |
| ICRA Ratings              | 90.53    | [ICRA]AA(SO)              | PTC Series A1 (PLUM-I)                           | NA                       | Newly Assigned     | New Rating of Provisional [ICRA]AA (SO); Assigned on January 04, 2023<br>[ICRA]AA (SO) Provisional rating confirmed as final on January 30, 2023   |
| ICRA Ratings              | 77.27    | [ICRA]AA(SO)              | PTC Series A1 (PLUM-II)                          | NA                       | Newly Assigned     | New Rating of Provisional [ICRA]AA (SO); Assigned on January 02, 2023<br>[ICRA]AA (SO) Provisional rating confirmed as final on January 09, 2023   |
| ICRA Ratings              | 149.12   | [ICRA]AA(SO)              | PTC Series A1 (PLUM-III)                         | NA                       | Newly Assigned     | New Rating of Provisional [ICRA]AA (SO); Assigned on March 16, 2023  |

iii) Penalties, if any, levied by any regulator;

The following penalties were imposed on the company during financial year 2022-23:

- 1) The Stock Exchange (BSE Limited) imposed a penalty of Rs. 12,980 under Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for
- 2) A Late Submission Fee (LSF) of Rs. 31,165 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on June 9, 2022
- 3) A Late Submission Fee (LSF) of Rs. 5,444 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on May 10, 2022
- 4) A Late Submission Fee (LSF) of Rs. 40,000 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on July 12, 2022
- 5) The Stock Exchange (BSE Limited) imposed a penalty of Rs. 5,64,040 under Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2021.



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**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, Bengaluru, Noida, Gurugram and Kolkata. The Company has not entered into any joint ventures and does not have any overseas subsidiaries.

**i) Capital to risk assets ratio (CRAR)**

| Particulars   | Numerator                   | Denominator          | March 31, 2023 | March 31, 2022 |
|---|-----------------------------|----------------------|----------------|----------------|
| i) CRAR (%)   | Adjusted Tier I and Tier II | Risk weighted assets | 50.87%         | 61.31%         |
| ii) CRAR- Tier I capital (%)                            | Adjusted Tier I Capital     | Risk weighted assets | 49.94%         | 57.46%         |
| iii) CRAR- Tier II capital (%)                          | Adjusted Tier II Capital    | Risk weighted assets | 0.93%          | 3.85%          |
| iv) Amount of subordinated debt raised as               |                             |                      | -              | -              |
| v) Amount raised by issue of Perpetual Debt Instruments |                             |                      | -              | -              |

**Basis of Ratios**

| a. Adjusted Tier I Capital #  | (Amount in Rs. crores)     |                            |
|---|----------------------------|----------------------------|
|   | Year ended 31st March 2023 | Year ended 31st March 2022 |
| a. Adjusted Tier I Capital #  | 3,899.74                   | 3,571.77                   |
| b. Adjusted Tier II Capital #   | 72.29                      | 239.45                     |
| <b>Total Capital</b>  | <b>3,972.03</b>            | <b>3,811.22</b>            |
| # Net of first loss credit enhancement of Rs. 26.14 crores on pass through certificate (Previous Year: Nil) |                            |                            |
| c. Risk weighted assets   | 7,808.70                   | 6,216.50                   |

**ii) Investments**

| Particulars   | (Amount in Rs. crores) |                |
|---|------------------------|----------------|
|   | March 31, 2023         | March 31, 2022 |
| 1) Value of Investments #   |                        |                |
| i) Gross Value of Investments (at cost)*                                |                        |                |
| a) In India   | 958.23                 | 1,220.20       |
| b) Outside India  | -                      | -              |
| ii) Provisions for Depreciation**                                       |                        |                |
| a) In India   | 111.72                 | 151.32         |
| b) Outside India  | -                      | -              |
| ii) Net Value of Investments  |                        |                |
| a) In India   | 846.51                 | 1,068.89       |
| b) Outside India  | -                      | -              |
| 2) Movement of provisions held towards depreciation on investments.     |                        |                |
| i) Opening Balance  | 151.32                 | 59.51          |
| ii) Add: Provisions made during the year                                | -                      | 91.81          |
| iii) Less : Write-off / write-back of excess provisions during the year | (39.60)                | -              |
| iv) Closing Balance   | 111.72                 | 151.32         |

\*The Company has investment in FVOCI, FVTPL and Amortised Cost category, the fair valuation of which is included in the gross value of investment.

\*\*Provision of depreciation comprises of impairment loss allowance on the investments.

# Investments include credit substitutes and pass through certificate.

**iii) Derivatives**

- a. The Company has not dealt in derivatives during the FY 2022-23 and FY 2021-22, therefore no details are to be disclosed  
b. The derivatives do not include embedded derivatives as per IND AS 109.

**c. Exchange Traded Interest Rate (IR) Derivatives**

The Company have no dealings in exchange traded interest rate derivatives during the FY 2022-23 and FY 2021-22, therefore no details are to be disclosed.

**d. Disclosures on Risk Exposure In Derivatives**

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



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**IV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities**  
Maturity Pattern of Assets and Liabilities as on March 31, 2023

| Particulars            | (Amount in Rs. crores) |              |                    |                         |                           |                           |                         |                        |                               |              |          |
|------------------------|------------------------|--------------|--------------------|-------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------------|--------------|----------|
|                        | 1 to 7 days            | 8 to 14 days | 15 days to 30 days | Over 1 month to 2 month | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years and upto 5 years | Over 5 years | Total    |
| Investments*           | 3.18                   | 3.18         | 7.72               | 15.06                   | 15.28                     | 162.37                    | 142.74                  | 155.45                 | -                             | 71.82        | 576.80   |
| Borrowings             | 27.78                  | 119.99       | 157.43             | 50.94                   | 189.78                    | 236.45                    | 1,955.33                | 1,254.84               | 70.12                         | -            | 4,072.64 |
| Advances*              | -                      | -            | 569.14             | 668.68                  | 768.22                    | 1,435.33                  | 1,384.52                | 1,904.38               | 530.06                        | 250.39       | 7,510.72 |
| Corporate              | -                      | -            | 38.19              | 9.67                    | 167.71                    | 43.59                     | 72.04                   | 545.53                 | 472.25                        | 250.34       | 1,599.32 |
| Consumer               | -                      | -            | 530.95             | 659.01                  | 600.51                    | 1,391.74                  | 1,312.48                | 1,358.85               | 57.81                         | 0.05         | 5,911.40 |
| Other financial assets | 0.71                   | 0.02         | 33.64              | -                       | 31.41                     | 32.27                     | 0.33                    | 8.18                   | -                             | 2.39         | 108.95   |

**Maturity Pattern of Assets and Liabilities as on March 31, 2023**

| Particulars            | (Amount in Rs. crores) |              |                    |                         |                           |                           |                         |                        |                               |              |          |
|------------------------|------------------------|--------------|--------------------|-------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------------|--------------|----------|
|                        | 1 to 7 days            | 8 to 14 days | 15 days to 30 days | Over 1 month to 2 month | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years and upto 5 years | Over 5 years | Total    |
| Investments*           | -                      | -            | 570.99             | -                       | -                         | 107.20                    | -                       | 125.55                 | 18.67                         | 284.50       | 999.71   |
| Borrowings             | -                      | -            | 11.67              | 20.23                   | 52.26                     | 484.71                    | 1,988.52                | 1,081.71               | 108.17                        | -            | 2,772.76 |
| Advances*              | 197.99                 | 98.99        | 356.25             | 383.89                  | 550.49                    | 857.74                    | 885.49                  | 1,586.81               | 412.39                        | 101.47       | 5,431.51 |
| Corporate              | -                      | -            | 257.26             | 11.87                   | 224.11                    | 59.45                     | 175.82                  | 837.76                 | 378.11                        | 101.46       | 2,045.84 |
| Consumer               | 197.99                 | 98.99        | 98.99              | 372.02                  | 326.38                    | 798.29                    | 709.67                  | 749.05                 | 34.28                         | 0.01         | 3,385.67 |
| Other financial assets | -                      | -            | 118.77             | 0.04                    | 20.86                     | 11.16                     | 7.42                    | -                      | -                             | 2.56         | 160.81   |

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

**V) Instances of fraud for the Year ended March 31, 2023**

| Nature of fraud                         | (Amount in Rs. crores) |               |                |                  |                |               |          |                  |
|---|------------------------|---------------|----------------|------------------|----------------|---------------|----------|------------------|
|   | March 31, 2023         |               | March 31, 2022 |                  | March 31, 2021 |               |          |                  |
|   | No. of cases           | Amt. of fraud | Recovery#      | Amt. written off | No. of cases   | Amt. of fraud | Recovery | Amt. written off |
| Cash embezzlement                       | -                      | -             | -              | -                | -              | -             | -        | -                |
| Loan given against fictitious documents | 116*                   | 2.03          | 1.95           | 1.93             | 112.00         | 3.12          | 2.00     | 3.12             |
| Fraud by external party                 | -                      | -             | -              | -                | -              | -             | -        | -                |
| Fraud Committed by Customer             | -                      | -             | -              | -                | 1.00           | 86.38         | 12.77    | -                |

\* All the frauds reported during the financial year ended March 31, 2023 are fraud committed by external party and reported to RBI upto March 31, 2023.

# Recovered from selling partner under First Loss Default Guarantee (FLDG) arrangement.





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|   |   |                               |                       |
|---|---|-------------------------------|-----------------------|
| <b>VI) Exposures</b>  |   |                               |                       |
| <b>A Exposure to Real Estate Sector</b>   |   |                               |                       |
|   | <b>Category</b>   | <b>(Amount in Rs. crores)</b> |                       |
|   |   | <b>March 31, 2023</b>         | <b>March 31, 2022</b> |
|   | <b>a) Direct Exposure (includes loans and credit substitutes)</b>   |                               |                       |
|   | <b>i) Residential Mortgages -</b>   |                               |                       |
|   | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented  | 54.45                         | 49.74                 |
|   | <b>ii) Commercial Real Estate -</b>   |                               |                       |
|   | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits                        | 1,128.29                      | 1,389.09              |
|   | <b>iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -</b>   |                               |                       |
|   | Residential   | -                             | -                     |
|   | Commercial Real Estate  | -                             | -                     |
|   | <b>b) Indirect Exposure</b>   | 387.90                        | 433.00                |
|   | <i>*This includes corporate guarantee given to DMI Housing Finance Pvt Ltd</i>  |                               |                       |
|   | <b>Total Exposure to Real Estate Sector *</b>   | <b>1,570.64</b>               | <b>1,871.83</b>       |
|   | <i>*Includes exposure to sub-standards assets as well</i>   |                               |                       |
| <b>B Exposure to Capital Market</b>   |   |                               |                       |
|   | <b>Category</b>   |                               |                       |
|   | <b>(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;</b>   | 441.29                        | 428.72                |
|   | <b>(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;</b>  | -                             | -                     |
|   | <b>(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;</b>  | 154.31                        | 573.66                |
|   | <b>(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;</b> | -                             | -                     |
|   | <b>(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;</b>  | -                             | -                     |
|   | <b>(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;</b>   | -                             | -                     |
|   | <b>(vii) bridge loans to companies against expected equity flows / issues;</b>  | -                             | -                     |
|   | <b>(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds</b>  | -                             | -                     |
|   | <b>(ix) Financing to stockbrokers for margin trading</b>  |                               |                       |
|   | <b>(x) All exposures to Alternative Investment Funds:</b>   |                               |                       |
|   | (i) Category I  | -                             | -                     |
|   | (ii) Category II  | 0.89                          | 0.89                  |
|   | (ii) Category III   | -                             | -                     |
|   | <b>Total Exposure to Capital Market</b>   | <b>596.49</b>                 | <b>1,003.27</b>       |
| <b>C Details of financing of parent company products</b>  | The Company has not financed any parent company product during the current year and previous year   | -                             | -                     |
| <b>D Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC</b> | The Company has not exceeded any single or group borrower limits during the FY 2022-23 and FY 2021-22 as per prescribed RBI guidelines therefore no details are being provided  | -                             | -                     |
| <b>E Unsecured Advances</b>   | The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.   |                               |                       |
|   | <b>Additional Disclosures</b>   |                               |                       |
| <b>VII) Provisions and contingencies</b>  | Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement Profit and Loss  |                               |                       |
|   | Provisions for depreciation on Investment   | (39.60)                       | 91.81                 |
|   | Provision towards NPA   | 54.26                         | 7.31                  |
|   | Provision made towards Income tax   | 152.08                        | 64.51                 |
|   | Provision made towards deferred tax   | (32.36)                       | (65.24)               |
|   | Other provision and contingencies   |                               |                       |
|   | Provision for gratuity  | 0.78                          | 0.98                  |
|   | Provision for compensated absences  | 1.35                          | 1.07                  |
|   | Provision for Standard Assets   | 386.56                        | 261.26                |
| <b>VIII) Draw Down from Reserves</b>  | The Company has not draw down any amount from the Reserves during the current year and previous year  |                               |                       |



**DMI Finance Private Limited**  
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|              |  | (Amount in Rs. crores) |                |
|--------------|--|------------------------|----------------|
|              |  | March 31, 2023         | March 31, 2022 |
| <b>IX)</b>   | <b>Concentration of Deposits, Advances, Exposures and NPAs</b>   |                        |                |
|              | <b>Concentration of Deposits</b>   | -                      | -              |
|              | <b>Concentration of Advances</b>   |                        |                |
|              | Total Advances to twenty largest borrowers   | 1,266.15               | 1,502.33       |
|              | Percentage of Advances to twenty largest borrowers to Total Advances   | 16.86%                 | 27.68%         |
|              | <b>Concentration of Exposures</b>  |                        |                |
|              | Total Exposure to twenty largest borrowers / customers   | 1,266.15               | 1,502.33       |
|              | Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers | 16.86%                 | 27.68%         |
|              | <b>Concentration of NPAs**</b>   |                        |                |
|              | Total Exposure to top four NPA accounts  | 232.79                 | 106.51         |
|              | **Represent Stage III loans including interest   |                        |                |
| <b>X)</b>    | <b>Movement of NPAs</b>  |                        |                |
|              |  | (Amount in Rs. crores) |                |
|              | Net NPAs to Net Advances (%) *   | 1.50%                  | 0.31%          |
|              | <b>Movement of NPAs (Gross)</b>  |                        |                |
|              | Opening balance  | 119.62                 | 142.35         |
|              | Additions during the year  | 167.72                 | 6.94           |
|              | Reductions during the year   | 16.71                  | 29.67          |
|              | <b>Closing balance</b>   | <b>270.63</b>          | <b>119.62</b>  |
|              | <b>Movement of Net NPAs</b>  |                        |                |
|              | Opening balance  | 16.60                  | 53.59          |
|              | Additions during the year  | (216.66)               | (151.21)       |
|              | Reductions during the year   | (310.20)               | (114.21)       |
|              | <b>Closing balance</b>   | <b>110.13</b>          | <b>16.60</b>   |
|              | <b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>                               |                        |                |
|              | Opening balance  | 103.02                 | 88.76          |
|              | Provisions made during the year  | 384.38                 | 158.15         |
|              | Write-off / write-back of excess provisions  | 326.91                 | 143.88         |
|              | <b>Closing balance</b>   | <b>160.50</b>          | <b>103.02</b>  |
|              | * Net Advances are taken net of provisions against Stage 3 assets  |                        |                |
| <b>XI)</b>   | <b>Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)</b>                                 |                        |                |
|              | The Company does not have any Joint Venture or Subsidiary abroad, therefore no details to be reported          |                        |                |
| <b>XII)</b>  | <b>Off- Balance sheet SPVs sponsored</b>   |                        |                |
|              | The Company does not have any Off- Balance sheet SPV, therefore no details to be reported                      |                        |                |
| <b>XIII)</b> | <b>Disclosure of Gold Loan Portfolio</b>   |                        |                |
|              | Total Gold Loan Portfolio  | -                      | -              |
|              | Total Assets   | -                      | -              |
|              | Gold loan portfolio as % of Total Assets   | -                      | -              |
| <b>XIV)</b>  | <b>Disclosure of Gold Auction</b>  |                        |                |
|              | Number of loan accounts  | -                      | -              |
|              | Outstanding Amount   | -                      | -              |
|              | Value fetched on auctions  | -                      | -              |
| <b>XV)</b>   | <b>Details of Off balance sheet exposure</b>   |                        |                |
|              | Refer note 44 for details of contingent liabilities and commitments  |                        |                |
| <b>XVI)</b>  | <b>Loan accounts past due 90 days and not treated as impaired</b>  |                        |                |
|              | Number of loan accounts  | -                      | -              |
|              | Loan outstanding   | -                      | -              |
|              | Overdue Amount   | -                      | -              |



DMI Finance Private Limited  
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XVII) Schedule to the Balance Sheet

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

|       |  | (Amount in Rs. crores)                        |                   |
|-------|--|---|-------------------|
| S.No  | Particulars  | Amount Outstanding<br>(March 31,2023)         | Amount<br>Overdue |
|       | <b>Liabilities side</b>  |   |                   |
| 1     | Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:                     |   |                   |
| a     | Debtentures : Secured  | 207.66  | -                 |
|       | Debtentures : Unsecured<br>(other than falling within the meaning of public deposits*)                         | 1,496.98                                      | -                 |
| b     | Deferred Credits   | -   | -                 |
| c     | Term Loans   | 2,056.49                                      | -                 |
| d     | Inter corporate loans and borrowings   | -   | -                 |
| e     | Commercial Paper   | -   | -                 |
| f     | Public Deposit   | -   | -                 |
| g     | Other loans (lease liability, Cash credit & Securitization)  | 364.14  | -                 |
| 2     | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)      |   |                   |
| a     | In the form of Unsecured debtentures   | -   | -                 |
| b     | In the form of partly secured debtentures i.e. debtentures where there is a shortfall in the value of security | -   | -                 |
| c     | Other public deposits  | -   | -                 |
|       | <b>Assets side</b>   | <b>Amount Outstanding<br/>(March 31,2023)</b> |                   |
| 3     | Break-up of Loans and Advances including bills receivables (net) *   |   |                   |
| a     | Secured  | 939.38  |                   |
| b     | Unsecured  | 5,793.76                                      |                   |
| 4     | Break up of Leased Assets and stock on hire and other assets counting towards asset financing                  | -   |                   |
| 1     | Lease assets including lease rentals under sundry debtors  | -   |                   |
| (a)   | Financial lease  | -   |                   |
| (b)   | Operating lease  | -   |                   |
| 2     | Stock on hire including hire charges under sundry debtors  | -   |                   |
| (a)   | Assets on hire   | -   |                   |
| (b)   | Repossessed Assets   | -   |                   |
| 3     | Other loans counting towards asset financing activities  | -   |                   |
| (a)   | Loans where assets have been repossessed   | -   |                   |
| (b)   | Loans other than (a) above   | -   |                   |
| 5     | Break up of investments  |   |                   |
|       | <b>Current Investments</b>   |   |                   |
| 1     | Quoted   | -   |                   |
| (i)   | Shares   | -   |                   |
|       | (A) Equity   | -   |                   |
|       | (B) Preference   | -   |                   |
| (ii)  | Debtentures and Bonds  | -   |                   |
| (iii) | Units of Mutual Funds  | -   |                   |
| (iv)  | Government Securities  | -   |                   |
| (v)   | Others (Please specify)  | -   |                   |
| 2     | Unquoted   |   |                   |
| (i)   | Shares   |   |                   |
|       | (A) Equity   | 114.89  |                   |
|       | (B) Preference   | 38.56   |                   |
| (ii)  | Debtentures and Bonds  | 69.88   |                   |
| (iii) | Units of Mutual Funds  | -   |                   |
| (iv)  | Government Securities  | -   |                   |
| (v)   | Others - investment in pass through certificates   | 196.08  |                   |





**DMI Finance Private Limited**  
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| Assets side   | Amount Outstanding<br>(March 31, 2023) |
|---|--|
| <b>Long Term Investments**</b>  |  |
| <b>1 Quoted</b>   |  |
| <b>(i) Shares</b>   |  |
| (A) Equity  | -                                      |
| (B) Preference  | -                                      |
| <b>(ii) Debentures and Bonds</b>  | -                                      |
| <b>(iii) Units of Mutual Funds</b>  | -                                      |
| <b>(iv) Government Securities</b>   | -                                      |
| <b>(v) Others (Please specify)</b>  | -                                      |
| <b>2 Unquoted</b>   |  |
| <b>(i) Shares</b>   |  |
| (A) Equity  | 68.65                                  |
| (B) Preference  | 2.20                                   |
| <b>(ii) Debentures and Bonds</b>  | 199.83                                 |
| <b>(iii) Units of Mutual Funds</b>  | -                                      |
| <b>(iv) Government Securities</b>   | -                                      |
| <b>(v) Others - Units of Alternative Investment Fund and investment in pass through certificate</b> | 156.42                                 |

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

| Category                      | Amount net of provision |           |          |
|-------------------------------|-------------------------|-----------|----------|
|                               | Secured                 | Unsecured | Total    |
| a Subsidiaries                | -                       | -         | -        |
| b Companies in the same group | -                       | -         | -        |
| c other related parties       | -                       | -         | -        |
| Other than related parties    | 939.38                  | 5,793.76  | 6,733.13 |
| <b>Total</b>                  |                         |           |          |

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

| Category                      | Market Value  | Book value (net of provisions) # |
|-------------------------------|---------------|----------------------------------|
| <b>Related Party</b>          |               |                                  |
| a Subsidiaries                | 61.25         | 87.33                            |
| b Companies in the same group | 0.77          | 0.77                             |
| c Other related parties       | -             | -                                |
| Other than related parties    | 896.21        | 758.41                           |
| <b>Total</b>                  | <b>958.23</b> | <b>846.51</b>                    |

**8 Other information**

| Particulars                        | Amount |
|------------------------------------|--------|
| <b>Gross Non Performing Assets</b> |        |
| a. Related parties                 | -      |
| b. Other than related parties      | 270.63 |
| <b>Net Non Performing Assets</b>   |        |
| a. Related parties                 | -      |
| b. Other than related parties      | 110.13 |

\* Net of impairment loss allowance

\*\* The Company has not disclosed the breakup of investment into long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

# Book value is carrying value as per IND AS



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
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**XVIII) Disclosure relating to Securitization**

As required in terms of paragraph 116 of Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

| S.No | Particulars   | (Amount in Rs. crores)  |                         |
|------|---|-------------------------|-------------------------|
|      |   | As on<br>March 31, 2023 | As on<br>March 31, 2022 |
| 1    | No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)     | 4                       | -                       |
| 2    | Total amount of securitised assets as per books of the SPEs   | 374.85                  | -                       |
| 3    | Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet   |                         |                         |
|      | a Off Balance Sheet Exposure  |                         |                         |
|      | (i) First Loss  | -                       | -                       |
|      | (ii) Others   | -                       | -                       |
|      | b On Balance Sheet Exposure   |                         |                         |
|      | (i) First Loss  | 52.28                   | -                       |
|      | (ii) Others   | 84.55                   | -                       |
| 4    | Amount of exposures to securitisation transactions other than MRR   |                         |                         |
|      | a Off Balance Sheet Exposure  |                         |                         |
|      | (i) Exposure to own securitisations   |                         |                         |
|      | First Loss  | -                       | -                       |
|      | Others  | -                       | -                       |
|      | (ii) Exposure to third party securitisations  |                         |                         |
|      | First Loss  | -                       | -                       |
|      | Others  | -                       | -                       |
|      | b On Balance Sheet Exposure   |                         |                         |
|      | (i) Exposure to own securitisations   |                         |                         |
|      | First Loss  | -                       | -                       |
|      | Others  | -                       | -                       |
|      | (ii) Exposure to third party securitisations  |                         |                         |
|      | First Loss  | -                       | -                       |
|      | Others  | -                       | -                       |
| 5    | Sale consideration received for the securitised assets  | 555.02                  | -                       |
|      | Gain/loss on sale on account of securitisation  | -                       | -                       |
| 6    | Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.   | -                       | -                       |
| 7    | Performance of facility provided  | -                       | -                       |
|      | Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. |                         |                         |
|      | (a) Amount paid   |                         |                         |
|      | (b) Repayment received  |                         |                         |
|      | (c) Outstanding amount  |                         |                         |
| 8    | Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.                                   | -                       | -                       |
| 9    | Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.                | -                       | -                       |
| 10   | Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding  | NA                      | NA                      |

**XIX) Loans to Directors, Senior Officers and relatives of Directors**

As required in terms of paragraph 7 of Loans and Advances – Regulatory Restrictions - NBFCs

| Sr. No. | Particulars  | (Amount in Rs. crores) |                |
|---------|--|------------------------|----------------|
|         |  | March 31, 2023         | March 31, 2022 |
| 1       | Directors and their relatives                          | -                      | -              |
| 2       | Entities associated with directors and their relatives | -                      | -              |
| 3       | Senior Officers (including KMP) and their relatives    | -                      | -              |

XX) Details of Related party transactions are given in Note 40.

XXI) There is no financing to Parent Company product in current and previous year.

XXII) There is no postponement of revenue recognition in current and previous year.

XXIII) There is no drawdown from reserves in current and previous year.



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**XXIV) Sectoral Exposure**

| S.No | Sectors  | As at March 31,2023         |                        |   | As at March 31,2022         |                      |   |
|------|--|-----------------------------|------------------------|---|-----------------------------|----------------------|---|
|      |  | Total Exposure (Rs. crore)* | Gross NPAs (Rs. crore) | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (Rs. crore)* | Gross NPAs (₹ crore) | Percentage of Gross NPAs to total exposure in that sector |
| 1    | Agriculture and Allied Activities                | -                           | -                      | -   | -                           | -                    | -   |
| 2    | Industry   |                             |                        |   |                             |                      |   |
|      | (i) Real Estate                                  | 1,128.23                    | 254.26                 | 22.54%  | 1,381.41                    | 112.68               | 8.16%   |
|      | (ii) Manufacturing and Services                  | 391.02                      | -                      | -   | 596.61                      | -                    | -   |
|      | (iii) Micro small and medium enterprises         | 58.15                       | 0.17                   | 0.30%   | 54.27                       | 0.18                 | 0.33%   |
|      | (iv) Others                                      | 75.03                       | 5.00                   | 6.66%   | 68.73                       | -                    | -   |
|      | <b>Total of Industry</b>                         | <b>1,652.43</b>             | <b>259.43</b>          | <b>15.70%</b>   | <b>2,101.02</b>             | <b>112.86</b>        | <b>8.49%</b>  |
| 3    | Services   |                             |                        |   |                             |                      |   |
|      | (i) Financial Services                           | 5.04                        | -                      | -   | -                           | -                    | -   |
|      | (ii) Others                                      | -                           | -                      | -   | -                           | -                    | -   |
|      | <b>Total of Services</b>                         | <b>5.04</b>                 | <b>-</b>               | <b>-</b>  | <b>-</b>                    | <b>-</b>             | <b>0.00%</b>  |
| 4    | Personal Loans                                   |                             |                        |   |                             |                      |   |
|      | (i) Term Loans                                   | 3,071.47                    | 8.51                   | 0.28%   | 1,570.97                    | 6.09                 | 0.39%   |
|      | (ii) Others (Consumer durables and credit lines) | 2,781.78                    | 2.69                   | 0.10%   | 1,759.52                    | 0.67                 | 0.04%   |
|      | <b>Total of Personal Loans</b>                   | <b>5,853.25</b>             | <b>11.20</b>           | <b>0.19%</b>  | <b>3,330.49</b>             | <b>6.76</b>          | <b>0.43%</b>  |
| 5    | Others   | -                           | -                      | -   | -                           | -                    | -   |
|      | <b>Grand Total (1+2+3+4+5)</b>                   | <b>7,510.72</b>             | <b>270.63</b>          | <b>15.89%</b>   | <b>5,431.51</b>             | <b>119.62</b>        | <b>8.91%</b>  |

\* Total exposure includes investment in credit substitutes.





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(XXV) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| S.no      | Particulars   |      |      |
|-----------|---|------|------|
| <b>A.</b> | <b>Complaints received by the NBFC from its customers</b>   |      |      |
| i.        | Number of complaints pending at beginning of the year   | 3    | 37   |
| ii.       | Number of complaints received during the year   | 7794 | 9778 |
| iii.      | Number of complaints disposed during the year   | 7724 | 9812 |
|           | Of which, number of complaints rejected by the NBFC   | -    | -    |
| iv.       | Number of complaints pending at the end of the year   | 73   | 3    |
| <b>B.</b> | <b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>                                  |      |      |
| i.        | Number of maintainable complaints received by the NBFC from Office of Ombudsman                               | 571  | 582  |
|           | Of (i), number of complaints resolved in favour of the NBFC by Office of Ombudsman                            | 571  | 582  |
|           | Of (i), number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | 0    | 0    |
|           | Of (i), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC         | 0    | 0    |
| ii.       | Number of Awards unimplemented within the stipulated time (other than those appealed)                         | NA   | NA   |

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

2) Top five grounds of complaints received by the NBFCs from customers

| S.no                  | Grounds of complaints   | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/ decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Number of complaints pending beyond 30 days |
|-----------------------|-------------------------|---|---|--|---|---|
| <b>March 31, 2023</b> |                         |   |   |  |   |   |
| i.                    | Incorrect CIBIL updated | 2   | 1,630   | (53.63%)   | 4   | -   |
| ii.                   | Charged extra fee       | -   | 2,066   | 7.66%  | 40  | -   |
| iii.                  | Payment not updated     | 1   | 3,592   | 3.34%  | 24  | -   |
| iv.                   | Bounce charges related  | -   | 72  | (69.49%)   | 2   | -   |
| v.                    | Collection related      | -   | 294   | 20.99%   | 3   | -   |
| vi.                   | Other complaints        | -   | 140   | (64.01%)   | -   | -   |
|                       |                         | <b>3</b>  | <b>7,794</b>                                  |  | <b>73</b>   | <b>-</b>                                    |
| <b>March 31, 2022</b> |                         |   |   |  |   |   |
| i.                    | Incorrect CIBIL updated | 6   | 3515  | 103.06%  | 2   | -   |
| ii.                   | Charged extra fee       | 6   | 1919  | NA   | -   | -   |
| iii.                  | Payment not updated     | 4   | 3476  | NA   | 1   | -   |
| iv.                   | Bounce charges related  | 2   | 236   | NA   | -   | -   |
| v.                    | Collection related      | 12  | 243   | 305.00%  | -   | -   |
| vi.                   | Other complaints        | 6   | 389   | 548.33%  | -   | -   |
|                       |                         | <b>36</b>   | <b>9778</b>                                   |  | <b>3</b>  | <b>-</b>                                    |



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- 54 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:
- (i) **Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time**  
 The numerator of LCR is driven by the quantum and composition of High Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows.
- (a) **Composition of HQLA**  
 HQLAs comprise of Cash and cash equivalents which include cash in hand and balances with scheduled commercial banks, including any fixed deposit with original maturity less than 3 months and liquid mutual funds.
- (b) **Unsecured and secured wholesale funding**  
 Borrowing maturities falling due in the next 30 days form a major component of cash outflows. It includes all NCD, Term Loan & CC form of funding. Unsecured wholesale funding includes Unsecured NCDs.
- (c) **Outflows related to derivative exposures and other collateral requirements**  
 During the reporting period, the Company did not have any derivative exposure.
- (d) **Other contractual funding obligations**  
 Other contractual funding obligations are taken from other financial liabilities that includes, Trade Payable, Current tax liabilities, Other non-financial liabilities and other operating expenses that are not due shown in the Balance Sheet which are expected to be paid in the next 30 days.
- (e) **Other contingent funding obligations**  
 Undrawn committed credit lines loans form a part of other contingent funding obligations.
- (f) **Secured lending**  
 Secured Lending inflows include the Principal inflows from the Wholesale Exposure of the Loan Book.
- (g) **Inflows from fully performing exposures**  
 This head includes the Unsecured principal inflows from the Unsecured exposure of the loan book.
- (h) **Other inflows**  
 For the LCR calculation, under other inflows, the major components are Interest Income, Penal Interest, Cash Income, PF Income, Trade receivables, balance with tax authorities which includes tax input credit and receivables from collection agencies and channel partners maturing in next 30 days.
- (ii) **Intra period changes and changes over time**  
 The Company endeavors to maintain a healthy level of LCR at all points of time. The LCR table shows the movement of changes in each component over the reporting period. The average LCR moved from 1381% for the quarter ended June 30, 2022 to 344% for the quarter ended March 31, 2023.
- (iii) **Concentration of funding sources**  
 The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee of the Board (ALCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board. The Company maintains a robust funding profile, which is periodically monitored and reviewed by ALCO.  
 The Company has a diversified funding profile in the form of Bank term loans and Non-convertible debentures which are long-term in nature. Also, the Company has availed Working Capital Demand loan (WC DL) from various Banks. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of investors / bankers who have funded the Company through various funding instruments.
- (iv) **Derivative exposures and collateral calls**  
 The Company did not indulge in derivative trading activities and hence was not exposed to derivative and collateral call risk during the reporting period.
- (v) **Currency mismatches**  
 The Company was not exposed to any major currency risk during the reporting period.



**DMI Finance Private Limited**  
Notes to the standalone financial statements  
(All Amount in Rs. In millions, unless otherwise stated)

|  | As at June 30, 2022                |                                 |                                    |                                 | As at September 30, 2022           |                                 |                                    |                                 | As at December 31, 2022            |                                 |                                    |                                 | As at March 31, 2023               |                                 |  |  |
|--|------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|--|--|
|  | Total un-weighted amount (Average) | Total weighted amount (Average) | Total un-weighted amount (Average) | Total weighted amount (Average) | Total un-weighted amount (Average) | Total weighted amount (Average) | Total un-weighted amount (Average) | Total weighted amount (Average) | Total un-weighted amount (Average) | Total weighted amount (Average) | Total un-weighted amount (Average) | Total weighted amount (Average) | Total un-weighted amount (Average) | Total weighted amount (Average) |  |  |
| <b>A. Liquidity coverage ratio</b>   |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |  |  |
| High Quality Liquid Assets (HQLAs)   | 468.95                             | 468.95                          | 512.91                             | 512.91                          | 416.92                             | 416.92                          | 381.19                             | 381.19                          | 416.92                             | 416.92                          | 381.19                             | 381.19                          | 381.19                             | 381.19                          |  |  |
| Total High Quality Liquid Assets (HQLA)                                    | 468.95                             | 468.95                          | 512.91                             | 512.91                          | 416.92                             | 416.92                          | 381.19                             | 381.19                          | 416.92                             | 416.92                          | 381.19                             | 381.19                          | 381.19                             | 381.19                          |  |  |
| Cash Outflows  |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |  |  |
| Deposits (for deposit taking companies)                                    | 7.66                               | 8.81                            | 72.45                              | 83.32                           | 56.51                              | 64.98                           | 10.98                              | 12.63                           | 64.98                              | 64.98                           | 10.98                              | 10.98                           | 12.63                              | 12.63                           |  |  |
| Unsecured wholesale funding  | 58.52                              | 67.30                           | 223.12                             | 256.59                          | 200.16                             | 230.18                          | 277.16                             | 318.73                          | 230.18                             | 230.18                          | 277.16                             | 277.16                          | 318.73                             | 318.73                          |  |  |
| Secured wholesale funding  | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               |  |  |
| Additional requirements, of which  | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               |  |  |
| Outflows related to derivative exposures and other collateral requirements | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               |  |  |
| Outflows related to loss of funding on debt products                       | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               |  |  |
| Credit and liquidity facilities  | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               |  |  |
| Other contractual funding obligations                                      | 51.95                              | 59.74                           | 59.40                              | 68.31                           | 65.83                              | 75.70                           | 96.85                              | 111.38                          | 75.70                              | 75.70                           | 96.85                              | 96.85                           | 111.38                             | 111.38                          |  |  |
| Other contingent funding obligations                                       | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               | -                                  | -                               |  |  |
| <b>TOTAL CASH OUTFLOWS</b>   | <b>118.13</b>                      | <b>135.85</b>                   | <b>354.97</b>                      | <b>408.22</b>                   | <b>322.49</b>                      | <b>370.86</b>                   | <b>384.99</b>                      | <b>442.74</b>                   | <b>370.86</b>                      | <b>370.86</b>                   | <b>384.99</b>                      | <b>384.99</b>                   | <b>442.74</b>                      | <b>442.74</b>                   |  |  |
| Cash Inflows   |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |                                    |                                 |  |  |
| Secured lending  | 83.20                              | 62.40                           | 77.56                              | 58.17                           | 71.53                              | 53.65                           | 48.75                              | 36.57                           | 53.65                              | 53.65                           | 48.75                              | 48.75                           | 36.57                              | 36.57                           |  |  |
| Inflows from fully performing exposures                                    | 808.14                             | 606.10                          | 1,105.67                           | 829.25                          | 1,030.29                           | 772.72                          | 940.27                             | 705.20                          | 772.72                             | 772.72                          | 940.27                             | 940.27                          | 705.20                             | 705.20                          |  |  |
| Other cash inflows   | 1.71                               | 1.29                            | 0.71                               | 0.59                            | 1.93                               | 1.45                            | 2.74                               | 2.74                            | 1.45                               | 1.45                            | 3.65                               | 3.65                            | 2.74                               | 2.74                            |  |  |
| <b>TOTAL CASH INFLOWS</b>  | <b>893.05</b>                      | <b>669.79</b>                   | <b>1,183.93</b>                    | <b>887.95</b>                   | <b>1,103.76</b>                    | <b>827.82</b>                   | <b>992.68</b>                      | <b>744.51</b>                   | <b>827.82</b>                      | <b>827.82</b>                   | <b>992.68</b>                      | <b>992.68</b>                   | <b>744.51</b>                      | <b>744.51</b>                   |  |  |
| Total HQLA   | 468.95                             | 468.95                          | 512.91                             | 512.91                          | 416.92                             | 416.92                          | 381.19                             | 381.19                          | 416.92                             | 416.92                          | 381.19                             | 381.19                          | 381.19                             | 381.19                          |  |  |
| Total net cash outflows  | 33.96                              | 33.96                           | 102.05                             | 102.05                          | 92.72                              | 92.72                           | 110.69                             | 110.69                          | 92.72                              | 92.72                           | 110.69                             | 110.69                          | 110.69                             | 110.69                          |  |  |
| Liquidity coverage ratio (%)   | 1381%                              | 1381%                           | 503%                               | 503%                            | 450%                               | 450%                            | 344%                               | 344%                            | 450%                               | 450%                            | 344%                               | 344%                            | 344%                               | 344%                            |  |  |

**Notes:**

- The components of LCR is arrived at by taking a stock approach whereby from the month end outstanding of each component (as financial records), the portion expected to be paid in the next 30 days is considered.
- The Average LCR is computed as simple averages of daily observations over the previous quarter.
- Interest accrued but not due to be paid for the subsequent month is considered.





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**B Liquidity risk**

Public Disclosure on Liquidity Risk for the year ended March 31, 2023 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

**i) Funding concentration based on significant counterparty (refer note 1 below)**

| Number of significant counterparties | Number of counterparties | Amount*  | (Amount in Rs. crores) |                        |
|--------------------------------------|--------------------------|----------|------------------------|------------------------|
|                                      |                          |          | % of Total deposits    | % of Total liabilities |
| As at 31 March 2023                  | 15                       | 3,926.68 | -                      | 90.81%                 |
| As at 31 March 2022                  | 12                       | 2,737.79 | -                      | 93.66%                 |

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

\*Above mentioned amount includes borrowing through PTC amounting to Rs 291.20 Cr, which has been considered as a single counterparty.

**ii) Top 20 large deposits**

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

**iii) Top 10 borrowings**

|                     | (Amount in Rs. crores)            |   |
|---------------------|-----------------------------------|---|
|                     | Total amount of top 10 borrowings | Percentage of amount of top 10 borrowings to total borrowings |
| As at 31 March 2023 | 3,655.29                          | 89.13%  |
| As at 31 March 2022 | 2,680.51                          | 96.84%  |

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

\*Above mentioned amount includes borrowing through PTC amounting to Rs 291.20 Cr, which has been considered as a single counterparty.

**iv) Funding Concentration based on significant instrument/product (refer note 2 below)**

| Nature of significant instrument/product | (Amount in Rs. crores) |                        |                      |                        |
|--|------------------------|------------------------|----------------------|------------------------|
|  | As at March 31, 2023   |                        | As at March 31, 2022 |                        |
|  | Amount*                | % of Total liabilities | Amount*              | % of Total liabilities |
| Non-convertible debentures               | 1,704.64               | 39.42%                 | 1,870.87             | 64.00%                 |
| Term loans                               | 2,055.57               | 47.54%                 | 872.35               | 29.84%                 |
| PTC borrowings                           | 291.20                 | 6.73%                  | -                    | -                      |
| Cash Credit                              | 49.63                  | 1.15%                  | -                    | -                      |
| <b>Total</b>                             | <b>4,101.04</b>        | <b>94.84%</b>          | <b>2,743.22</b>      | <b>93.84%</b>          |

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

**v) Stock ratios:**

| Particulars  | (Amount in Rs. crores) |                         |                        |                   |                      |                         |                        |                   |
|--|------------------------|-------------------------|------------------------|-------------------|----------------------|-------------------------|------------------------|-------------------|
|  | As at March 31, 2023   |                         |                        |                   | As at March 31, 2022 |                         |                        |                   |
|  | Amount                 | % of Total public funds | % of Total liabilities | % of Total assets | Amount               | % of Total public funds | % of Total liabilities | % of Total assets |
| Commercial papers  | -                      | -                       | -                      | -                 | -                    | -                       | -                      | -                 |
| Non-convertible debentures (original maturity of less than one year) | -                      | -                       | -                      | -                 | -                    | -                       | -                      | -                 |
| Other short-term liabilities (refer note 20 and note 3 below)        | 245.26                 | 5.98%                   | 5.67%                  | 2.88%             | 248.43               | 8.30%                   | 8.50%                  | 3.67%             |
| <b>Total public funds (refer note 4 below)</b>                       |                        |                         |                        |                   |                      |                         |                        |                   |
| Total liabilities  |                        |                         |                        |                   | 4,101.04             |                         | 2,991.65               |                   |
| Total assets   |                        |                         |                        |                   | 4,324.23             |                         | 2,923.15               |                   |
|  |                        |                         |                        |                   | 8,530.35             |                         | 6,771.24               |                   |

**Note**

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

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

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

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

**vi) Institutional set-up for liquidity risk management**

Refer note 51(A): Risk management structure and 51(B) Liquidity risk and funding management for institutional set-up for liquidity risk management.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

- 55 (a) Details of resolution plan implemented under the Resolution framework for COVID-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework – 1.0) and May 5, 2021 (Resolution Framework 2.0) are given below:

| Type of borrower   | (Amount in Rs. crores)  |  |   |   |   |
|--------------------|---|--|---|---|---|
|                    | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A) March 31,2022 | Of (A), aggregate debt that slipped into NPA during the year | Of (A) amount written off during the year | Of (A) amount paid by the borrowers during the year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year March 31,2023 |
| Personal loans     |   |  |   |   |   |
| Of which MSMEs     | 1.66  | -  | -   | 1.35  | 0.31  |
| Others             | 36.71   | 1.01   | 5.43                                      | 16.28   | 13.99   |
| Corporate Persons* | -   | -  | -   | -   | -   |
| <b>Total</b>       | <b>38.37</b>  | <b>1.01</b>  | <b>5.43</b>                               | <b>17.63</b>  | <b>14.31</b>  |

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

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

**A. Details of stressed loans transferred during the year ended March 31,2023**

| Particulars   |           | To ARCs |   | To permitted transferees |      |
|---|-----------|---------|---|--------------------------|------|
|   |           |         |   |                          |      |
| i. No. of accounts  | No's      |         | 1 |                          | 8783 |
| ii. Aggregate principal outstanding of loans transferred                                  | Rs.crores | 15.41   |   | 32.51                    |      |
| iii. Weighted average residual tenor of the loans transferred                             |           | -       |   | -                        |      |
| iv. Net book value of loans transferred (at the time of transfer)                         | Rs.crores | 4.02    |   | -                        |      |
| v. Aggregate consideration  | Rs.crores | 6.99    |   | 2.67                     |      |
| vi. Additional consideration realized in respect of accounts transferred in earlier years |           | -       |   | -                        |      |

**B. Details of loans acquired during the year**

| Particulars  |           | From lenders * |   | From ARCs |   |
|--|-----------|----------------|---|-----------|---|
|  |           |                |   |           |   |
| i. Aggregate principal outstanding of loans acquired   | Rs.crores |                | - |           | - |
| ii. Aggregate consideration paid                       | Rs.crores |                | - |           | - |
| iii. Weighted average residual tenor of loans acquired |           |                | - |           | - |

\* Lenders listed in clause 3 of the Reserve Bank of India (Transfer of Loan Exposures) Directions,2021 in terms of RBI circular RBI/DOR/2021-22 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021:

**56 Disclosure on significant ratios:**

| Particulars                          | Description  | As at          |                |
|--------------------------------------|--|----------------|----------------|
|                                      |  | March 31, 2023 | March 31, 2022 |
| Debt-Equity Ratio                    | [(Debt securities+ Borrowings (other than Debt Securities)) / Total equity]  | 0.97           | 0.72           |
| Net profit margin                    | Net profit after tax / total revenue from operations   | 19.79%         | 6.45%          |
| Total debts to total assets          | [(Debt securities+ Borrowings (other than Debt Securities)) / Total assets]  | 47.74%         | 40.64%         |
| Gross Non-Performing Assets          | Gross Stage III loans EAD / Gross total loans EAD  | 3.60%          | 2.18%          |
| Net Non-Performing Assets            | (Gross Stage III loans EAD - Impairment loss allowance for Stage III) / (Gross total loans EAD-Impairment loss allowance for Stage III ) | 1.50%          | 0.31%          |
| Asset cover ratio (number of times)* | Amount of secured assets / Secured debt  | 1.28           | 1.79           |
| Provision coverage ratio (%)         | (Impairment loss allowance for Stage III / Gross Stage III loans EAD )   | 59.31%         | 86.13%         |

\* Asset Cover ratio is given for listed non convertible debt securities only.

**57 Other Statutory Information**

- i. During the current financial year, Company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- ii. Penalties imposed by the regulator during the financial year ended 31 March, 2023 are mentioned in Note 54.
- iii. There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961.
- iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.
- ix. The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2023 and March 31, 2022.
  - x. There are no transactions of undisclosed income not recorded in the books of accounts.
  - xi. The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.
  - xii. The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.
  - xiii. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.





**DMI Finance Private Limited**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**58 Events occurring after reporting date**

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

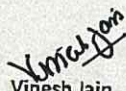
59 Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.

60 There is no change in the Statutory auditor of the Company in the current year.

61 There are no events observed after the reported period which have an impact on the Company's operation.

62 The financial statements were approved for issue by Board of Directors on May 22, 2023.

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

  
Vinesh Jain  
Partner  
Membership No. 087701



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

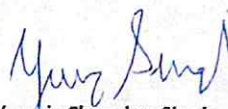
  
Shivashish Chatterjee  
(Jt. Managing Director)  
DIN: 02623460

Place: **NEW YORK**  
Date: **22 MAY, 2023**

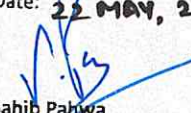
  
Krishan Gopal  
(Chief Financial Officer)

Place: **NEW DELHI**  
Date: **22 MAY, 2023**

Place: **GURUGRAM**  
Date: **22 MAY, 2023**

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

Place: **NEW DELHI**  
Date: **22 MAY, 2023**

  
Sahib Pahwa  
(Company Secretary)  
M. No. A24789  
Place: **NEW DELHI**  
Date: **22 MAY, 2023**