

**DMI FINANCE PRIVATE LIMITED**

**Registered office:** Express Building, 3<sup>rd</sup> Floor, 9-10,  
Bahadur Shah Zafar Marg, New Delhi- 110002

**Phone:** +91-11-49834444, Fax- +91-11-41204000

**Email:** [compliance@dmifinance.in](mailto:compliance@dmifinance.in)

**Website:** [www.dmifinance.in](http://www.dmifinance.in)

**CIN:** U64990DL2008PTC182749

**NOTICE OF THE SIXTEENTH (16<sup>TH</sup>) ANNUAL GENERAL MEETING**

Notice is hereby given that the Sixteenth (16<sup>th</sup>) Annual General Meeting (“AGM”) of the members of DMI Finance Private Limited (“the Company”) will be held on, Thursday, September 19, 2024, at Express Building, 3<sup>rd</sup> Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi 110002 at 1500 hours onwards to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Annual Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon; and**
- To appoint Statutory Auditors of the Company.**

To consider and if thought fit, to pass with or without modification (s) the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under and Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (“SAs”) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (including any statutory modification or re-enactment thereof for time being in force) dated April 27, 2021 issued by the Reserve Bank of India (“RBI Guidelines”) and Articles of Association of the Company and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any Statutory/Regulatory Authorities, as may be applicable, and as per the recommendation received from Audit Committee and the Board of Directors of the Company, M/s. Nangia and Co. LLP, Chartered Accountants (Firm Registration: 002391C/N500069), be and are hereby appointed as Statutory Auditors of the Company for a consecutive term of three financial years (i.e., 2024-25 to 2026-27) to hold office from the conclusion of the Sixteenth (16<sup>th</sup>) Annual General Meeting (‘AGM’) till the conclusion of the Nineteenth (19<sup>th</sup>) AGM of the Company, subject to re-appointment and fulfilment of the eligibility norms each year during its tenure at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The auditors shall also provide the relevant certificates at a price agreed along with statutory audit fees as may be required under various statutory or regulatory requirements.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, any Director or Company Secretary or Chief Financial Officer of the Company are hereby severally authorized to take all actions and to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient to give effect including but not limited to intimating the Reserve Bank of India (‘RBI’) or any other regulatory authority as applicable for such appointment and to do all acts, deeds and things in connection therewith and incidental thereto as they in their absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end.

**RESOLVED FURTHER THAT** a copy of the above resolution certified by any Director or Company Secretary of the Company, if any be submitted to the concerned authorities and they be requested to act upon the same.”

**Date: August 12, 2024**  
**Place: New Delhi**

**By the Order of the Board**  
**For DMI Finance Private Limited**

Sd/-

**Jyoti Kheria**  
**Company Secretary**  
**Membership No- A42022**  
**Express Building, 3<sup>rd</sup> Floor, 9- 10,**  
**Bahadur Shah Zafar Marg, New Delhi- 110002**

Registered Office:  
Express Building, 3rd Floor,  
9-10, Bahadur Shah Zafar  
Marg, New Delhi-110002  
T: +91 11 41204444  
F: +91 11 41204000  
email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)  
U64990DL2008PTC182749

**Notes:**

1. *The statement pursuant to Section 102(1) of the Companies Act, 2013 read with the relevant rules made thereunder (the “Act”), the Secretarial Standard on General Meetings (“SS-2”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), in respect of item no.2 of this Notice, is annexed herewith.*
2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.*** *A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. Provided that a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as Proxy and such person shall not act as proxy for any other person or shareholder.*
3. *The instrument appointing the proxy should, however, be deposited at the registered office of the Company, duly Stamped, signed and completed, at least 24 hours before the commencement of the Poll. A Proxy Form is annexed to this Report.*
4. *Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.*
5. *Members may please note that the Notice of the AGM will also be available on the website of the Company at <https://www.dmifinance.in>.*
6. *The Register of Directors and Key Managerial Personnel and their shareholding-maintained u/s 184 of the Companies Act, 2013 will be available for inspection by the members electronically during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to [compliance@dmifinance.in](mailto:compliance@dmifinance.in)*
7. *Members/ Proxies should fill in the attendance slip for attending the AGM. Attendance slip and the proxy form as prescribed under the Companies Act, 2013 are enclosed with the Notice.*
8. *In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.*
9. *The relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on working days except on holidays, up to the date of the AGM.*
10. *The Board of Directors of the Company (“the Board”) has appointed M/s. VLA & Associates, Practicing Company Secretaries as the Scrutinizer (“Scrutinizer”), for conducting the voting process in a fair & transparent manner.*
11. *The Scrutinizer shall make a scrutinizer’s report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been approved or not, and such Report shall then be sent to the Chairperson or a person authorized by him, during the meeting after voting of result by poll is carried out, the Chairman shall then countersign and declare the result of the voting forthwith.*
12. *Landmark for location of meeting is the registered Office of the Company. The route map of the location is attached with the notice.*

Registered Office:

Express Building, 3rd Floor,  
9-10, Bahadur Shah Zafar  
Marg, New Delhi-110002  
T: +91 11 41204444  
F: +91 11 41204000  
email: [dmifinance.in](mailto:dmifinance.in)  
U64990DL2008PTC182749

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM NO. 2- TO APPOINT STATUTORY AUDITORS OF THE COMPANY**

The Members are apprised that the Reserve Bank of India ('RBI') vide its notification no. RBI/2021-22/25 Ref. no. DoS.CO.ARG/SEC.01/08.91.001/2021-22, has issued guidelines on April 27, 2021 on the appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "RBI Guidelines"), the said guidelines are applicable to the Company in respect of appointment / reappointment of Statutory Auditors. Further, Para 8 of the RBI Guidelines lays down that Statutory Auditors shall be appointed for a continuous period of three years, subject to the Audit firms satisfying the eligibility norms as stipulated therein, each year.

Further, pursuant to the relevant provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (as amended from time to time), read with the relevant rules made thereunder (the "Act") and the RBI Guidelines, M/s S.N. Dhawan & Co (Firm Registration Number-000050N/N500045), were appointed as Statutory Auditors of the Company for a consecutive term of three Financial Years (i.e., 2021-22 to 2023-24) to hold office from the conclusion of the 13<sup>th</sup> Annual General Meeting ('AGM') till the conclusion of the 16<sup>th</sup> AGM of the Company. The said term shall come to an end with the conclusion of ensuing 16<sup>th</sup> AGM.

The evaluation was carried out considering various parameters including but not limited to expertise, experience, qualifications, reputation, availability of qualified CAs, sufficient trained personnel with the firm, accounting and administrative units, level of computerization and such other factors as the Company may deem fit for its requirements.

Accordingly, the Audit Committee and Board of the Directors of the Company at its Meeting held on August 07, 2024 and August 12, 2024 respectively have approved and further recommended, the appointment of M/s. Nangia and Co. LLP, Chartered Accountants (Firm Registration: 002391C/N500069) as Statutory Auditors of the Company for a consecutive term of three Financial Years (i.e., 2024-25 to 2026-27) to hold office from the conclusion of the Sixteenth (16<sup>th</sup>) Annual General Meeting ('AGM') till the conclusion of the Nineteenth (19<sup>th</sup>) AGM of the Company, subject to re-appointment and fulfilment of the eligibility norms each year during its tenure at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The auditors shall also provide the relevant certificates at a price agreed along with statutory audit fees as may be required under various statutory or regulatory requirements.

The Board of Directors accordingly recommends the resolution as set out in Item no. 2 of the Notice for obtaining approval of the shareholders for appointment of Statutory Auditors by way of an **Ordinary Resolution**.

None of the Directors and KMPs of the Company and their relatives are directly or indirectly concerned or interested in this resolution.

The details of the transaction can be accessed at the registered office of the Company during the business hours i.e., between 0900 Hrs to 1800 Hrs.

**DMI FINANCE PRIVATE LIMITED**

**Registered office:** Express Building, 3<sup>rd</sup> Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002

**Phone:** +91-11-49834444, Fax- +91-11-41204000

**Email:** [compliance@dmifinance.in](mailto:compliance@dmifinance.in)

**Website:** [www.dmifinance.in](http://www.dmifinance.in)

**CIN:** U64990DL2008PTC182749

**MGT-11 – Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**Name of the member (s):**

**Registered address:**

**E-mail Id:**

**Folio No/ Client Id:**

**DP ID:**

Registered Office:  
Express Building, 3rd Floor,  
9-10, Bahadur Shah Zafar  
Marg, New Delhi-110002  
T: +91 11 41204444  
F: +91 11 41204000  
email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)  
U64990DL2008PTC182749

I/We, being the member (s) of .....shares of the DMI Finance Private Limited, hereby appoint

1. Name: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Or failing him

2. Name: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Or failing him

3. Name: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 16<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, September 19, 2024 at Express Building, 3<sup>rd</sup> Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi 110002 at 1500 hours onwards and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Businesses:</b>			
1.	To receive, consider and adopt the annual audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and the Auditors thereon.		

2.	To appoint Statutory Auditors of the Company		
----	--	--	--

\*Applicable for investors holding shares in electronic form.

Signed this..... day of..... 2024

\_\_\_\_\_  
**Signature of shareholder**

\_\_\_\_\_  
**Signature of Proxy holder(s)**

Affix Revenue Stamp
---------------------------

*Notes:*

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 24 hours before the commencement of the Poll.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Registered Office:  
 Express Building, 3rd Floor,  
 9-10, Bahadur Shah Zafar  
 Marg, New Delhi-110002  
 T: +91 11 41204444  
 F: +91 11 41204000  
 email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)  
 U64990DL2008PTC182749

**DMI FINANCE PRIVATE LIMITED****Registered office:** Express Building, 3<sup>rd</sup> Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002**Phone:** +91-11-49834444, Fax- +91-11-41204000**Email:****Website:** [www.dmifinance.in](http://www.dmifinance.in)**CIN:** U64990DL2008PTC182749

Please fill attendance slip and hand it over at the entrance of the meeting hall  
Joint shareholders may obtain additional Slip at the venue of the meeting.

Name and address of the shareholder/Proxy:

Folio No.: \_\_\_\_\_

ID &amp; Client ID\*: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Registered Office:  
Express Building, 3rd Floor,  
9-10, Bahadur Shah Zafar  
Marg, New Delhi-110002  
T: +91 11 41204444  
F: +91 11 41204000  
email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)  
U64990DL2008PTC182749

I/We hereby record my/our presence at the 16<sup>th</sup> Annual General Meeting of the Company at Express Building, 3<sup>rd</sup> Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi 110002 on, Thursday, September 19, 2024 at 1500 Hours onwards.

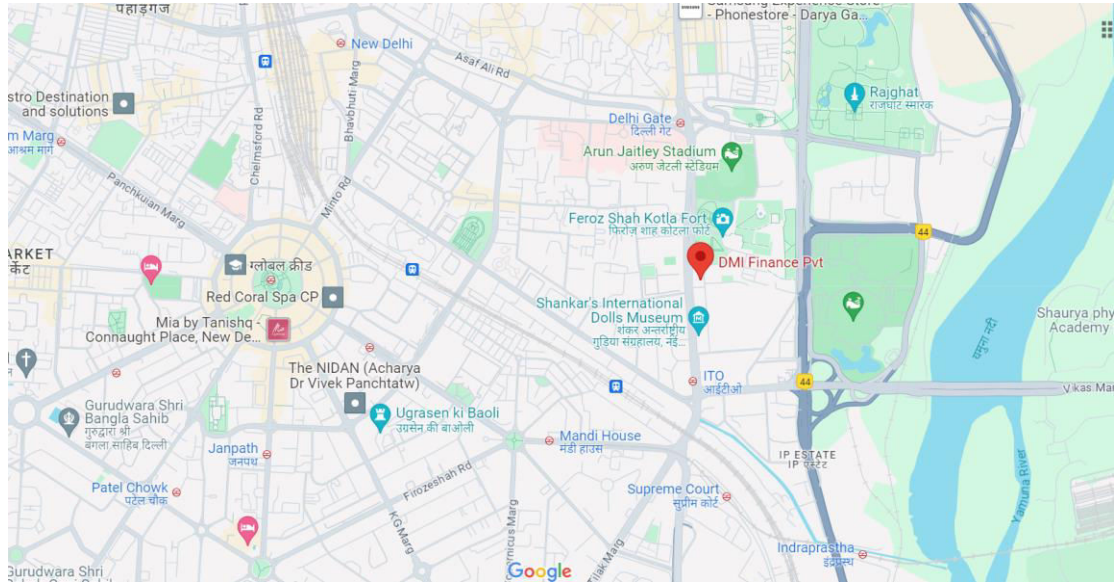
Signature of the Shareholder or Proxy\*\*:

\*Applicable for investors holding shares in electronic form.

\*\*Strike out whichever is not applicable

-----

**Route Map of Venue of Meeting**



Registered Office:  
Express Building, 3rd Floor,  
9-10, Bahadur Shah Zafar  
Marg, New Delhi-110002  
T: +91 11 41204444  
F: +91 11 41204000  
email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)  
U64990DL2008PTC182749



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

**Chartered Accountants**

Plot No 51-52, 2nd Floor  
Udyog Vihar, Phase IV, Sector-18  
Gurugram, Haryana 122016  
India

Tel: +91 124 481 4444

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2024, 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 material 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 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for opinion**

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

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Description of key audit matter**

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<b>(a) Impairment of financial assets as at balance sheet date (expected credit losses)</b>	
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	Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines.  Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related



Key audit matters	How our audit addressed the key audit matters
<p>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>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>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>	<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> <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 of the information included in 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 will 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 identified above when it becomes available and, in doing so, consider whether the 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 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, except for the matter stated in paragraph (h)(vi) below on reporting under Rule 11(g).
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the 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 does not have any pending litigations which would impact its financial position in its standalone financial statements – Refer Note 44 (a) 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 – Refer Note 44 (e) to the standalone financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. (a) The Management has represented that, to the best of it's knowledge and belief, 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 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 it's knowledge and belief, no funds 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) 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. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility, however, the same was not enabled for the year. Consequently, we are unable to comment on the operating effectiveness of the audit trail facility.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

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

*Manish*



**Manish Surana**  
Partner  
Membership No.: 503812  
UDIN: 24503812BKFMTT2289

Place: Gurugram  
Date: 16 May 2024

## 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 2024

(i)

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

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment 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 other 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 any 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.

(iii)

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

(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	3,075.86	306.20
Corporate Loans (excluding credit substitute)	883.86	2,112.90

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.

- (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 2024 is Rs. 2,419.10 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(1) of the Act in respect of loans granted, investments made and guarantees issued and security provided, as applicable and the other provisions of section 186 of the Act are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposit during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence reporting under clause 3(v) of the Order are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, 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 generally regular in depositing undisputed statutory dues including goods and services tax, employees' state insurance, provident fund, cess, income tax and other material statutory dues, to the appropriate authorities. Further, undisputed amounts payable in





respect of provident fund which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs./ millions)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
EPF Act, 1952	Employee Provident Fund	1.02	April 2022 to August 2023	Various	NA	-

The operations of the Company during the year do not give rise to liabilities of sales tax, service tax, 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.
- (viii) 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 purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation were temporarily invested in liquid funds.
- (d) On an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have not been used for long-term purposes by the Company.
- (e) In our opinion and according to the information and explanations given to us, 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.
- (f) According to the information and explanations given to us, we report that 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 moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us, during the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and Section 62 of the Act and the Rules framed there under. Further, in our opinion, the funds so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment of shares/ convertible debentures.



- (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. 16.74 millions comprising of 119 instances noticed and reported by the management in terms of the regulatory provisions applicable to the Company, as mentioned in note 52 B (V) of standalone financial statements
  - (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(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 issued to the Company till date, covering the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of Section 192 of the Act are not applicable.
- (xvi)
- (a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.
  - (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve bank of India as per the Reserve Bank of India Act, 1934.
  - (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
  - (d) The Group does not have any CIC as part of the Group. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses during the current financial year. and during the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors of the Company 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 indicating 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) The Company has no unspent amount towards Corporate Social Responsibility (CSR) pursuant to ongoing projects requiring a transfer to a special account in compliance with provisions of sub-section (6) of Section 135 of the said Act.
- (xxi) The reporting under clause 3(xxii) 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

*Manish*



**Manish Surana**  
Partner  
Membership No.: 503812  
UDIN : 24503812BKFM2289

Place: Gurugram  
Date: 16 May 2024

**Annexure B to 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 2024**

**Annexure B**

**Independent Auditor's report on the Internal Financial Controls with reference to standalone 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 the financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Company") as at 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 the 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 the 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 the 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 the 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 the 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 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

*Manish*



**Manish Surana**  
Partner  
Membership No.: 503812  
UDIN: 24503812BKFM2289

Place: Gurugram  
Date: 16 May 2024

**DMI Finance Private Limited**  
**Standalone Balance Sheet as at March 31, 2024**  
 (All Amount in Rs. in millions, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	10,259.51	5,628.39
Bank balance other than cash and cash equivalents	5	1,151.79	560.10
Trade receivables	6	64.57	308.05
Loans	7	118,427.96	67,331.33
Investments	8	6,290.31	8,465.14
Other financial assets	9	1,171.09	1,089.55
<b>Total financial assets</b>		<b>137,365.23</b>	<b>83,382.56</b>
<b>Non-financial assets</b>			
Current tax assets (net)	10	128.56	185.78
Deferred tax assets (net)	11	2,043.48	1,127.16
Property, plant and equipment	12	141.04	140.53
Right of use assets	14	219.48	196.35
Capital work in progress	13 (a)	4.68	-
Intangible assets Under development	13 (b)	2.54	8.78
Other intangible assets	15	30.97	21.66
Other non- financial assets	16	223.13	165.66
<b>Total non-financial assets</b>		<b>2,793.88</b>	<b>1,845.92</b>
Assets held for sale	17	75.00	75.00
<b>TOTAL ASSETS</b>		<b>140,234.11</b>	<b>85,303.48</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
<b>Payables</b>			
<b>A) Trade payables</b>			
(i) total outstanding dues of micro and small enterprises	18 (a)	25.33	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises		1,766.68	1,133.20
<b>B) Other payables</b>			
(i) total outstanding dues of micro and small enterprises	18 (b)	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		730.36	525.06
Debt securities	19	8,862.16	16,837.91
Borrowings (other than debt securities)	20	59,509.28	23,888.51
Lease liabilities	21	265.29	242.29
Other financial liabilities	22	488.74	283.98
<b>Total financial liabilities</b>		<b>71,647.84</b>	<b>42,919.92</b>
<b>Non financial liabilities</b>			
Provisions	23	131.65	96.35
Other non-financial liabilities	24	295.34	276.04
<b>Total non-financial liabilities</b>		<b>426.99</b>	<b>322.39</b>
<b>EQUITY</b>			
Equity share capital	25	7,424.87	6,567.75
Other equity	26	60,734.41	35,493.42
<b>Total equity</b>		<b>68,159.28</b>	<b>42,061.17</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>140,234.11</b>	<b>85,303.48</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

*Manish*

Manish Surana  
 Partner  
 Membership No. 503812



Place: Gurugram  
 Date: May 16, 2024

For and on behalf of the Board of Directors of  
 DMI Finance Private Limited  
 CIN: U64990DL2008PTC182749

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

Place: New York  
 Date: May 16, 2024

*JPS Bhasin*  
 Jatinder Pal Singh Bhasin  
 (Interim Chief Financial Officer)

Place: New Delhi  
 Date: May 16, 2024

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

Place: New Delhi  
 Date: May 16, 2024



**DMI Finance Private Limited**  
**Standalone Statement of profit and loss for the year ended March 31, 2024**  
 (All Amount In Rs. in millions, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>			
Interest income	27	25,301.72	15,969.48
Dividend income	27A	16.00	3.34
Fees and commission Income	28	641.10	201.74
Net gain on fair value changes	29	508.97	197.60
<b>Total revenue from operations</b>		<b>26,467.79</b>	<b>16,372.16</b>
Other income	30	219.50	192.90
<b>Total income</b>		<b>26,687.29</b>	<b>16,565.06</b>
<b>Expenses</b>			
Finance costs	31	4,867.48	3,018.66
Fees and commission expense	32	1,584.00	1,329.74
Impairment on financial Instruments	33	9,148.66	4,012.20
Employee benefits expense	34	1,634.04	1,235.22
Depreciation, amortization and impairment	35	116.40	108.20
Other expenses	36	3,860.65	2,482.46
<b>Total expenses</b>		<b>21,211.23</b>	<b>12,186.48</b>
<b>Profit before tax</b>		<b>5,476.06</b>	<b>4,378.58</b>
<b>Tax expense/ (credit):</b>			
(1) Current tax	47	2,226.12	1,520.76
(2) Deferred tax	47	(916.44)	(382.34)
<b>Income tax expense</b>		<b>1,309.68</b>	<b>1,138.42</b>
<b>Net profit for the year</b>		<b>4,166.38</b>	<b>3,240.16</b>
<b>Other comprehensive income</b>			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on gratuity		0.26	5.53
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income		0.23	227.72
Income tax relating to above		(0.12)	(58.71)
<b>Subtotal (a)</b>		<b>0.37</b>	<b>174.54</b>
b) Items that will be reclassified to profit or loss			
(i) Gain/(loss) on Fair Value changes		-	-
Income tax relating to above item		-	-
<b>Subtotal (b)</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income (a+b), net of tax</b>		<b>0.37</b>	<b>174.54</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>4,166.75</b>	<b>3,414.70</b>
<b>Earnings per equity share (face value of Rs. 10 per share)</b>			
Basic (Rs.)	37	5.64	4.93
Diluted (Rs.)		5.57	4.86

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

*Manish*

Manish Surana  
 Partner  
 Membership No. 503812



Place: Gurugram  
 Date: May 16, 2024

For and on behalf of the Board of Directors of  
 DMI Finance Private Limited  
 CIN: U64990DL2008PTC182749

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

Place: New York  
 Date: May 16, 2024

*Jatinder Pal Singh Bhasin*  
 Jatinder Pal Singh Bhasin  
 (Interim Chief Financial Officer)

Place: New Delhi  
 Date: May 16, 2024

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

Place: New Delhi  
 Date: May 16, 2024



**DMI Finance Private Limited**  
**Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002**  
**CIN - U64990DL2008PTC182749**  
**Standalone Statement of Cash Flows for the year ended March 31, 2024**  
**(All Amount in Rs. in millions, unless otherwise stated)**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities:</b>		
Profit before tax	5,476.06	4,378.58
Adjustments for		
Depreciation and amortisation	116.40	108.20
Net gain on fair value changes	(508.97)	(197.60)
Impairment on financial instruments	10,523.23	4,801.60
Interest expense for leasing arrangements	23.73	26.33
Effective interest rate adjustment for financial instruments	(6,295.24)	(4,554.41)
Asset held for sale written off		68.88
Dividend income	(16.00)	(3.34)
Liabilities no longer required written back	(139.70)	
Gratuity and compensation absences	37.87	26.84
Interest Income deposits with bank	(56.50)	(38.08)
Employee stock option/share warrant expense	345.39	160.41
<b>Operating profit before working capital changes</b>	<b>9,506.77</b>	<b>4,777.41</b>
(Increase) in financial and other assets	(55,529.22)	(20,830.75)
Increase in financial and other liabilities	1,059.90	654.01
Decrease in non financial assets	(57.47)	(62.10)
Increase in non financial liabilities	66.99	160.94
<b>Total of changes in working capital</b>	<b>(54,459.80)</b>	<b>(20,077.90)</b>
Direct taxes paid (net of refunds)	(2,168.90)	(1,421.83)
<b>Net cash flow generated from / (used in) operating activities (A)</b>	<b>(47,121.93)</b>	<b>(16,722.32)</b>
<b>B Cash flow from investing activities:</b>		
Inflow (outflow) on account of:		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(69.87)	(71.44)
Purchase of investment	(78,645.31)	(76,951.65)
Sale of investment	82,042.94	79,996.70
Dividend income	16.00	3.34
Movement of fixed deposits (net)	(591.69)	(265.65)
Interest income deposits with bank	45.03	38.08
<b>Net cash flow from / (used in) Investing activities (B)</b>	<b>2,797.10</b>	<b>2,749.38</b>
<b>C Cash flow from financing activities:</b>		
Proceed from issue of equity shares (including share premium)	21,585.97	4.97
Receipt of upfront money on share warrant		0.22
Proceeds from borrowings		
Proceeds from borrowings (other than debt securities)	62,808.56	31,517.19
Repayment of borrowings (other than debt securities)	(27,369.22)	(16,664.49)
Proceeds from debt securities	11,888.82	3,500.00
Repayment of debt securities	(19,879.53)	(3,219.16)
Lease payments	(78.65)	(70.67)
<b>Net cash flow generated from financing activities (C)</b>	<b>48,955.95</b>	<b>13,068.06</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,631.12</b>	<b>(904.88)</b>
Cash and cash equivalents as at the beginning of the year	5,628.39	6,533.27
<b>Cash and cash equivalents at the end of the year</b>	<b>10,259.51</b>	<b>5,628.39</b>

**Notes:**

- Components of cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.08	0.05
Balance with banks		
In current accounts and overdraft accounts	9,759.43	5,628.34
deposits with original maturity of less than 3 months	500.00	-
<b>Total cash and cash equivalents</b>	<b>10,259.51</b>	<b>5,628.39</b>
- Statement of Cash Flows has been prepared under indirect method as set out in the IND AS 7 "Statement of Cash Flows"
- 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. 00005DN/NS00045  
Chartered Accountants

Manish Surana  
Partner  
Membership No. 5031



Place: Gurugram  
Date: May 16, 2024

For and on behalf of the Board of Directors of  
DMI Finance Private Limited  
CIN: U64990DL2008PTC182749

Shivachish Chatterjee  
(Jt. Managing Director)  
DIN: 02623460

Place: New Delhi  
Date: May 16, 2024

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

Place: New Delhi  
Date: May 16, 2024

Pal Singh Bhasin  
(Interim Chief Financial Officer)

Place: New Delhi  
Date: May 16, 2024





**DMI Finance Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2024**  
 (All Amount in Rs. in millions, unless otherwise stated)

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

For the year ended 31 March 2024  
 Equity shares of INR 10 each issued, subscribed and fully paid  
 At 1 April 2023  
 Changes in Equity Share Capital due to prior period errors  
 Restated balance at 1 April 2023  
 Issue of share capital (Note 25)  
 At 31 March 2024

Number	INR Millions
712,468,143	6,567.75
712,468,142	6,567.75
85,711,866	857.12
<b>798,180,008</b>	<b>7,424.87</b>

For the year ended 31 March 2023  
 Equity shares of INR 10 each issued, subscribed and fully paid  
 At 1 April 2022  
 Changes in Equity Share Capital due to prior period errors  
 Restated balance at 1 April 2022  
 Issue of share capital (Note 25)  
 At 31 March 2023

Number	INR Millions
712,393,401	6,567.00
712,393,401	6,557.00
74,741	0.75
<b>712,468,142</b>	<b>6,567.75</b>

Particulars	Reserves and Surplus							Other Comprehensive Income				Share application money pending allotment	Total other equity
	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital redemption reserve	Upfront monies received on Share warrants	Retained earnings	Re-measurement gain/(loss) on defined benefit plan	Gain/(Loss) on Fair Value changes (Debt and Equity)	Realized Gain on Investments	Total other comprehensive income		
Balance as on April 01, 2022	1,093.02	25,707.55	187.02	32.44	81.21	0.50	4,150.54	1.17	643.45	16.97	661.59	-	31,913.87
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	648.01	-	-	-	-	-	(648.01)	-	-	-	-	-	-
Net additions to share options 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	-	-	-	-	-	0.12	-	-	-	-	-	-	0.12
Share warrants granted during the year	-	-	-	42.36	-	-	-	-	-	-	-	-	42.36
Share warrants exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	4.22	-	-	-	-	-	-	-	-	-	-	4.22
Balance as on March 31, 2023	1,741.05	25,711.77	105.02	74.80	81.21	0.72	6,752.57	5.31	813.85	16.97	836.13	-	35,491.42
Profit for the year	-	-	-	-	-	-	4,163.35	-	-	-	-	-	4,166.38
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-	0.19	(796.30)	796.48	0.17	-	0.37
Transfer to special reserve	833.28	-	-	-	-	-	(833.28)	-	-	-	-	-	-
Net additions to share options during the year	-	-	791.50	-	-	-	-	-	-	-	-	-	791.50
Share options exercised during the year	-	-	(94.92)	-	-	-	-	-	-	-	-	-	(94.92)
Share application money received during the year	-	-	-	-	-	-	-	-	-	-	1.84	-	1.84
Upfront Monies on Share Warrant received during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Share warrants granted during the year	-	-	-	53.89	-	-	-	-	-	-	-	-	53.89
Share warrants exercised during the year	-	-	-	(27.76)	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	70,849.69	-	-	-	-	-	-	-	-	-	-	70,849.69
Balance as on March 31, 2024	2,574.33	46,561.46	501.85	100.93	81.21	0.72	10,075.77	5.50	17.55	813.45	836.50	1.84	50,774.41

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



Manish Surana  
 Partner  
 Membership No. 503812

Place: Gurugram  
 Date: May 16, 2024

For and on behalf of the Board of Directors of  
 DMI Finance Private Limited  
 CIN: U64999DL2008PTC182749



Shweta Chatterjee  
 (PL Managing Director)  
 DIN: 02623460

Place: New York  
 Date: May 16, 2024

Mandeep Pal Singh Bhasin  
 (Interim Chief Financial Officer)

Place: New Delhi  
 Date: May 16, 2024



Tarraka Ganakya Singh  
 (PL Managing Director)  
 DIN: 01501179

Place: New Delhi  
 Date: May 16, 2024

**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**1 Corporate Information**

DMI Finance Private Limited is a Private Limited Company ("The Company") incorporated on September 02, 2008 under the provisions of the Companies Act, 2013 having Corporate Identification Number Is (CIN) U64990DL2008PTC182749.

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 16th May 2024.

**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 material 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 material areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most material 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.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**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 immaterial 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.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**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 material 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 materially 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.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**g) 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.

**h) 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.

**i) Contingent liabilities and assets**

**i. Contingent liabilities**

The Company does not recognise 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.

**j) 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 recognised 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 recognised 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.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

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.

k) **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.

l) **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.

m) **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)



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**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.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**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 material 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 material to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is material 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 material to the fair value measurement as a whole) at the end of each reporting year.





**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

**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 materially 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 material 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 material increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, material 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 material 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 material 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 material 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.

**n) 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.

**o) 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.



**DMI Finance Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2024**

p) **Interest in Subsidiaries, associate and Joint venture 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 material influence over jointly controlled entities, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

**3.2 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company



**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, 2024	As at March 31, 2023
Cash on hand	0.08	0.05
Balance with banks		
- balance in current accounts and overdraft accounts	9,759.43	5,628.34
Deposits with original maturity of less than 3 months	500.00	-
	<u>10,259.51</u>	<u>5,628.39</u>

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

Deposit with original maturity of more than 3 months*	1,151.79	560.10
	<u>1,151.79</u>	<u>560.10</u>

\*Deposits being lien marked against corporate credit cards, overdraft, cash credit, WCDL accounts and pledged for PTC borrowings as external credit enhancement

**6 Trade receivables**

Considered good - Unsecured	64.57	308.05
Considered good - Secured	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	<u>64.57</u>	<u>308.05</u>
Less: Impairment loss allowance	-	-
<b>Total</b>	<u>64.57</u>	<u>308.05</u>

Trade receivables from related parties (see note 40)

**Trade receivables ageing schedule**

**As at 31 March 2024**

Particulars	less than 6 Months	6 months- 1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables - considered good	64.57	-	-	-	-	64.57
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	-	-	-	-	-	-
	<u>64.57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64.57</u>

**As at 31 March 2023**

Particulars	less than 6 Months	6 months- 1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables - considered good	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	-	-	-	-	-	-
	<u>308.05</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308.05</u>

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



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

**7 Loans**

	As at March 31, 2024			As at March 31, 2023		
	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 <sup>a</sup>	5,381.03	104.87	5,485.90	12,041.06	137.80	12,178.86
Consumer loans	117,500.40	-	117,500.40	59,114.03	-	59,114.03
<b>Total (A) Gross</b>	<b>122,881.43</b>	<b>104.87</b>	<b>122,986.30</b>	<b>71,155.09</b>	<b>137.80</b>	<b>71,292.89</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (A) Net</b>	<b>118,334.90</b>	<b>93.06</b>	<b>118,427.96</b>	<b>67,209.91</b>	<b>121.42</b>	<b>67,331.33</b>
<b>(B)</b>						
Secured by tangible assets and Intangible assets	35,820.07	104.87	35,924.94	11,990.70	137.80	12,128.50
Unsecured	87,061.36	-	87,061.36	59,164.39	-	59,164.39
<b>Total (B) Gross</b>	<b>122,881.43</b>	<b>104.87</b>	<b>122,986.30</b>	<b>71,155.09</b>	<b>137.80</b>	<b>71,292.89</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (B) Net</b>	<b>118,334.90</b>	<b>93.06</b>	<b>118,427.96</b>	<b>67,209.91</b>	<b>121.42</b>	<b>67,331.33</b>
<b>(C) Sector</b>						
Public sector	-	-	-	-	-	-
Others	122,881.43	104.87	122,986.30	71,155.09	137.80	71,292.89
<b>Total (C) Gross</b>	<b>122,881.43</b>	<b>104.87</b>	<b>122,986.30</b>	<b>71,155.09</b>	<b>137.80</b>	<b>71,292.89</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (C) Net</b>	<b>118,334.90</b>	<b>93.06</b>	<b>118,427.96</b>	<b>67,209.91</b>	<b>121.42</b>	<b>67,331.33</b>
<b>(D)</b>						
In India	122,881.43	104.87	122,986.30	71,155.09	137.80	71,292.89
Outside India	-	-	-	-	-	-
<b>Total (D) Gross</b>	<b>122,881.43</b>	<b>104.87</b>	<b>122,986.30</b>	<b>71,155.09</b>	<b>137.80</b>	<b>71,292.89</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (D) Net</b>	<b>118,334.90</b>	<b>93.06</b>	<b>118,427.96</b>	<b>67,209.91</b>	<b>121.42</b>	<b>67,331.33</b>

<sup>a</sup>Corporate loan portfolio includes loan outstanding from employees of Rs. Nil (previous year: Rs. 0.32 millions)

**Notes:**

- i) Loans 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. 1,085.87 millions (previous year: Rs. 2,338.58 millions)
- iv) Details of loans given to key managerial personnel (KMP) are provided in Note 40. There is no outstanding balance as on March 31, 2024 and March 31, 2023.



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

**7.1 Impairment allowance for loans and advances to borrowers**

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	114,118.34	3,075.86	306.20	117,500.40	57,309.78	1,690.44	113.81	59,114.03
Less: Impairment loss allowance	1,795.57	1,678.45	228.80	3,652.82	619.78	493.24	113.81	1,226.83
Net carrying amount	112,322.77	1,447.41	77.40	113,847.58	56,690.00	1,197.20	-	57,887.20

Corporate loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,489.14	883.86	2,112.90	5,485.90	8,153.99	1,784.28	2,240.59	12,178.86
Less: Impairment loss allowance	137.64	111.32	661.56	905.52	256.96	1,338.45	1,139.32	2,734.73
Net carrying amount	2,356.50	772.54	1,451.34	4,580.38	7,897.03	445.83	1,101.27	9,444.13

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

Credit substitutes and compulsory convertible debentures	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	-	-	807.16	807.16	3,462.35	-	351.99	3,814.34
Less: Impairment loss allowance	-	-	403.57	403.57	765.18	-	351.99	1,117.17
Net carrying amount	-	-	403.59	403.59	2,697.17	-	-	2,697.17

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

Consumer loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	57,309.78	1,690.44	113.81	59,114.03	32,855.94	931.48	69.45	33,856.87
New Assets originated, Netted off for repayments and loans derecognised during the year	59,073.22	(654.92)	(31.03)	58,386.37	24,405.79	882.63	(31.26)	25,257.16
Transfers from Stage 1	(2,400.26)	2,195.71	204.55	-	(564.23)	491.51	72.72	-
Transfers from Stage 2	130.86	(156.05)	25.19	-	603.43	(617.45)	14.02	-
Transfers from Stage 3	4.74	0.68	(5.42)	-	8.85	2.27	(11.12)	-
Gross carrying amount closing balance	114,118.34	3,075.86	306.20	117,500.40	57,309.78	1,690.44	113.81	59,114.03

Corporate loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	8,153.99	1,784.28	2,240.59	12,178.86	15,080.82	192.95	774.83	16,048.60
New Assets originated, Netted off for repayments and loans derecognised during the year	(4,348.50)	(1,722.97)	(621.49)	(6,692.96)	(3,727.77)	(17.25)	(124.72)	(3,869.74)
Transfers from Stage 1	(1,316.35)	822.55	493.80	-	(3,199.06)	1,608.58	1,590.48	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	2,489.14	883.86	2,112.90	5,485.90	8,153.99	1,784.28	2,240.59	12,178.86

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, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,462.35	-	351.99	3,814.34	4,057.64	-	351.99	4,409.63
New Assets originated, Netted off for repayments and loans derecognised during the year	(2,655.19)	-	(351.99)	(3,007.18)	(595.29)	-	-	(595.29)
Transfers from Stage 1	(807.16)	-	807.16	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	-	-	807.16	807.16	3,462.35	-	351.99	3,814.34



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

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, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance opening balance	619.78	493.24	113.81	1,226.83	284.20	228.76	69.45	582.41
Change in ECL due to change in ECL model rate	272.39	393.19	(28.77)	636.81	124.06	78.09	-	202.15
New Assets originated, Netted off for repayments and loans derecognised/write offs during the year	2,189.47	(371.80)	(27.49)	1,789.18	421.02	62.86	(41.61)	442.27
Transfers from Stage 1	(1,287.14)	1,134.29	152.85	-	(216.13)	143.42	72.71	-
Transfers from Stage 2	2.01	(20.83)	18.82	-	6.53	(20.55)	14.02	-
Transfers from Stage 3	0.07	0.35	(0.43)	-	0.10	0.66	(0.76)	-
Expected credit loss allowance closing balance	1,795.57	1,628.45	228.80	3,652.82	619.78	493.24	113.81	1,226.83

Corporate loans**	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance opening balance	256.96	1,338.45	1,139.32	2,734.73	1,855.56	25.29	641.05	2,521.90
Change in ECL due to change in ECL model rate	60.22	16.97	78.20	155.39	93.21	-	34.26	107.47
New Assets originated, Netted off for repayments and loans derecognised/write offs during the year	(37.63)	(1,336.69)	(610.28)	(1,984.60)	160.89	(13.35)	(42.17)	105.37
Transfers from Stage 1	(146.91)	92.59	54.32	-	(1,852.69)	1,326.51	526.18	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Expected credit loss allowance closing balance	132.64	111.32	661.56	905.52	256.96	1,338.45	1,139.32	2,734.73

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:

Credit Substitutes**	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance opening balance	765.18	-	351.99	1,117.17	1,193.33	-	319.85	1,513.18
Change in ECL due to change in ECL model rate	-	-	-	-	273.38	-	32.13	305.51
New Assets originated, Netted off for repayments and loans derecognised/write offs during the year	(361.61)	-	(351.99)	(713.60)	(701.53)	-	-	(701.53)
Transfers from Stage 1	(403.57)	-	403.57	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Expected credit loss allowance closing balance	-	-	403.57	403.57	765.18	-	351.99	1,117.17

\* The addition in ECL is due to increase in loans outstanding on 31 March 24 as compared to 31 March 23.

\*\* The decrease in ECL is due to decrease in loans outstanding on 31 March 24 as compared to 31 March 23.

**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. Consumer secured loans are hypothecated by first and exclusive charge on the product financed by the Company. In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through collection executives, along with legal means to recover due loan repayments. Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed off 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)**

**B Investments**

As at March 31, 2024

**(A) Equity Instruments**

**Investments in Subsidiaries / Associate**

Equity shares in DMI Management Services Private Limited\*\*

Equity shares in DMI Alternatives Private Limited\*\*

Equity shares in DMI Capital Private Limited

Equity shares in Appnil Technologies Private Limited

Subtotal

Others

Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)

Equity shares in Flash Electronics Private Limited\*\*

Equity shares in Alchemist Asset Reconstruction Company Limited

Equity shares in Azad Engineering Private Limited\*\*

Equity shares in Radiant Polymers Private Limited\*\*

Subtotal

**Preference shares**

**Investments in Subsidiaries / Associate/Joint Venture**

Compulsorily convertible preference shares in DMI Capital Private Limited

Compulsorily convertible preference shares in Appnil Technologies Private Limited

Compulsorily convertible preference shares in Ampverse DMI Private Limited

Subtotal

Others

Compulsorily convertible preference shares in Saarathi Finbiz Private Limited

Subtotal

**Compulsory or Optionally Convertible Debentures**

Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs.100,000 each\*\*

Compulsory convertible debentures in Blorad Medisys Private Limited of face value of Rs. 10,00,000 each\*\*

7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited) of face value of Rs 1,00,000 each

Subtotal

**Credit Substitutes**

805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up

Units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up\*\*\*

Subtotal

Investment in Pass through certificates(unquoted)

**Other Instruments**

Units of DMI AIF Special Opportunities Scheme

Subtotal

**Total (A) Gross**

Less: Impairment loss allowance

**Total (A) Net**

**(B) Investments outside India**

**Investments in India**

**Total (B) Gross**

Less: Impairment loss allowance

**Total (B) Net**

	Amortised cost	At fair value through profit and loss	At fair value through other comprehensive income	Subtotal	Others*	Total
Equity shares in DMI Management Services Private Limited**	-	-	-	-	-	-
Equity shares in DMI Alternatives Private Limited**	-	-	-	-	-	-
Equity shares in DMI Capital Private Limited	-	-	-	-	0.99	0.99
Equity shares in Appnil Technologies Private Limited	-	-	-	-	532.03	532.03
Subtotal	-	-	-	-	533.02	533.02
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	-	-	3.58	3.58	-	3.58
Equity shares in Flash Electronics Private Limited**	-	-	-	-	-	-
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	219.24	219.24	-	219.24
Equity shares in Azad Engineering Private Limited**	-	-	-	-	-	-
Equity shares in Radiant Polymers Private Limited**	-	-	-	-	-	-
Subtotal	-	-	222.82	222.82	-	222.82
Compulsorily convertible preference shares in DMI Capital Private Limited	-	385.56	-	385.56	-	385.56
Compulsorily convertible preference shares in Appnil Technologies Private Limited	-	-	-	-	21.97	21.97
Compulsorily convertible preference shares in Ampverse DMI Private Limited	-	-	-	-	131.20	131.20
Subtotal	-	385.56	-	385.56	153.17	538.73
Compulsorily convertible preference shares in Saarathi Finbiz Private Limited	-	-	160.01	160.01	-	160.01
Subtotal	-	-	160.01	160.01	-	160.01
Compulsory convertible debentures in Flash Electronics India Private Limited of face value Rs.100,000 each**	-	-	-	-	-	-
Compulsory convertible debentures in Blorad Medisys Private Limited of face value of Rs. 10,00,000 each**	-	-	-	-	-	-
7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited) of face value of Rs 1,00,000 each	-	-	752.88	752.88	-	752.88
Subtotal	-	-	752.88	752.88	-	752.88
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	593.77	-	213.39	807.16	-	807.16
Units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up***	-	-	-	-	-	-
Subtotal	593.77	-	213.39	807.16	-	807.16
Investment in Pass through certificates(unquoted)	3,673.46	-	-	3,673.46	-	3,673.46
Units of DMI AIF Special Opportunities Scheme	-	-	5.80	5.80	-	5.80
Subtotal	-	-	5.80	5.80	-	5.80
<b>Total (A) Gross</b>	<b>4,267.23</b>	<b>385.56</b>	<b>1,354.90</b>	<b>6,007.69</b>	<b>686.19</b>	<b>6,693.88</b>
Less: Impairment loss allowance	296.88	-	106.69	403.57	-	403.57
<b>Total (A) Net</b>	<b>3,970.35</b>	<b>385.56</b>	<b>1,248.21</b>	<b>5,604.12</b>	<b>686.19</b>	<b>6,290.31</b>
<b>Total (B) Gross</b>	<b>4,267.23</b>	<b>385.56</b>	<b>1,354.90</b>	<b>6,007.69</b>	<b>686.19</b>	<b>6,693.88</b>
Less: Impairment loss allowance	296.88	-	106.69	403.57	-	403.57
<b>Total (B) Net</b>	<b>3,970.35</b>	<b>385.56</b>	<b>1,248.21</b>	<b>5,604.12</b>	<b>686.19</b>	<b>6,290.31</b>

\* At cost

\*\* Sold during the year

\*\*\* Written off during the year



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

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>						
Investments in Subsidiaries / Associate						
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
Subtotal	-	-	-	-	470.05	470.05
Others						
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
Subtotal	-	227.04	1,138.31	1,365.35	-	1,365.35
Preference shares						
Investments in Subsidiaries / Associate						
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
Subtotal	-	385.56	-	385.56	21.97	407.53
Compulsory or Optionally Convertible Debentures						
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
Subtotal	-	-	2,160.27	2,160.27	-	2,160.27
Credit Substitutes						
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
Subtotal	1,116.64	-	537.43	1,654.07	-	1,654.07
Investment in Pass through certificates(unquoted)	3,515.31	-	-	3,515.31	-	3,515.31
Other Instruments						
Units of DMI AIF Special Opportunities Scheme	-	-	9.73	9.73	-	9.73
Subtotal	-	-	9.73	9.73	-	9.73
<b>Total (A) - Gross</b>	<b>4,631.95</b>	<b>612.60</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>3,963.25</b>	<b>612.60</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	4,631.95	612.60	3,845.74	9,090.29	492.02	9,582.31
<b>Total (B) - Gross</b>	<b>4,631.95</b>	<b>612.60</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>3,963.25</b>	<b>612.60</b>	<b>3,397.27</b>	<b>7,973.12</b>	<b>492.02</b>	<b>8,465.14</b>

\* At cost

Notes:

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

(ii) Information of subsidiaries, associate and joint venture

Name of entity	Principal Activity	Place of Incorporation	Principal place of business	As at March 31, 2024	As at March 31, 2023
<b>Subsidiaries</b>					
DMI Management Services Private Limited (upto 1 Nov 2023)	Financial Service (Asset Management)	Delhi	Delhi	0.00%	100.00%
DMI Capital Private Limited	Financial Service (Merchant Banking)	Delhi	Delhi	100.00%	100.00%
Appnit Technologies Private Limited	Financial Services (Prepaid Instrument Issuer)	Lucknow, Uttar Pradesh	NOIDA, Uttar Pradesh	94.78%	94.04%
<b>Associate</b>					
DMI Alternatives Private Limited (upto 25 Sep 2023)	Investment Manager	Delhi	Delhi	0.00%	49.00%
<b>Joint Venture</b>					
Amprorse DMI Private Limited (w.e.f 05 July 2023)	Promotion of exports	Delhi	Delhi	49.00%	0.00%





**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 March 31, 2024	As at March 31, 2023
Security deposit	33.68	26.14
First loss default guarantee recoverable	130.13	133.13
Interest accrued on fixed deposits	22.50	11.03
Recoverable from partner	-	104.24
Unbilled revenue and recoverables	1,015.79	815.01
Others	31.99	-
	<b>1,234.09</b>	<b>1,089.55</b>
Less: Impairment loss allowance	63.00	-
<b>Total</b>	<b>1,171.09</b>	<b>1,089.55</b>

**10 Current tax assets (net)**

Advance Income-tax (net)	128.56	185.78
<b>Total</b>	<b>128.56</b>	<b>185.78</b>

**11 Deferred tax assets**

<b>Deferred tax liability</b>		
Fair value of financial instruments	103.37	402.77
Leased assets	55.24	49.42
<b>Total deferred tax liabilities</b>	<b>158.61</b>	<b>452.19</b>
<b>Deferred tax asset</b>		
Provision for employee benefits	34.06	29.11
Difference in written down value as per Companies Act and Income-tax Act	16.17	14.54
EIR adjustment for processing fee	771.95	260.36
Liability against leases	66.26	60.47
Impairment loss allowance	1,264.67	1,200.30
Notional Interest on Market linked debentures	48.98	14.57
<b>Total deferred tax asset</b>	<b>2,202.09</b>	<b>1,579.35</b>
<b>Net deferred tax asset</b>	<b>2,043.48</b>	<b>1,127.16</b>



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

Movement of deferred tax assets	As at March 31, 2023	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive Income	As at March 31, 2024
<b>Liabilities</b>				
Fair value of financial instruments	402.77	(299.46)	0.06	103.37
Leased assets	49.42	5.82	-	55.24
Difference in Income recognition on unrealized gain on mutual fund investments	-	-	-	-
<b>Deferred tax liabilities</b>	<b>452.19</b>	<b>(293.64)</b>	<b>0.06</b>	<b>158.61</b>
<b>Assets</b>				
Provision for employee benefits	29.11	5.01	(0.06)	34.06
Difference in written down value as per Companies Act and Income-tax Act	14.54	1.63	-	16.17
EIR adjustment for processing fee	260.36	511.59	-	771.95
Liability against leases	60.47	5.79	-	66.26
Impairment loss allowance	1,200.30	64.37	-	1,264.67
Notional Interest on Market linked debentures	14.57	34.41	-	48.98
Carry forward of interest disallowed u/s 94B	-	-	-	-
<b>Deferred tax assets</b>	<b>1,579.35</b>	<b>622.80</b>	<b>(0.06)</b>	<b>2,202.09</b>
<b>Net deferred tax asset</b>	<b>1,127.16</b>	<b>916.44</b>	<b>(0.12)</b>	<b>2,043.48</b>

Movement of deferred tax assets	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive Income	As at March 31, 2023
<b>Liabilities</b>				
Fair value of financial Instruments	455.81	(110.36)	57.32	402.77
Leased assets	59.13	(9.71)	-	49.42
Difference in income recognition on unrealized gain on mutual fund investments	18.31	(18.31)	-	-
<b>Deferred tax liabilities</b>	<b>533.25</b>	<b>(138.38)</b>	<b>57.32</b>	<b>452.19</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	69.04	(8.57)	-	60.47
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>1,336.78</b>	<b>243.96</b>	<b>(1.39)</b>	<b>1,579.35</b>
<b>Net deferred tax assets</b>	<b>803.53</b>	<b>382.34</b>	<b>(58.71)</b>	<b>1,127.16</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 April 01, 2022	1.64	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
Additions	0.02	21.19	6.41	7.96	15.45	51.03
Disposals	-	(13.08)	(4.11)	-	-	(17.19)
Balance as at March 31, 2024	1.96	94.03	7.66	46.76	196.70	347.11
<b>Accumulated depreciation</b>						
Balance as at April 01, 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
Charge for the year	0.15	22.47	1.11	5.30	20.40	49.43
Disposals	-	(12.41)	(3.69)	-	-	(16.10)
Balance as at March 31, 2024	1.48	67.14	2.22	36.61	98.62	206.07
<b>Net carrying amount</b>						
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
As at March 31, 2024	0.48	26.89	5.44	10.15	98.08	141.04

**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, 2024	As at March 31, 2023			
Capital work in progress	4.68	-			
As at 31 March, 2024	4.68	-			
	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.68	-	-	-	4.68
Projects temporarily suspended	-	-	-	-	-
	4.68	-	-	-	4.68
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	-	-	-	-	-
	-	-	-	-	-

Contractual commitments to be executed on capital account amounting to Rs. 7.17 millions (previous year: Rs. 4.05 millions)



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

**13 (b) intangible assets under development**

	As at March 31, 2024	As at March 31, 2023			
Intangible assets under development	2.54	8.78			
	<u>2.54</u>	<u>8.78</u>			
<b>As at 31 March, 2024</b>	<b>Amount in intangible assets under development for a period</b>				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.54	-	-	-	2.54
Projects temporarily suspended	-	-	-	-	-
	<u>2.54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.54</u>
<b>As at 31 March, 2023</b>	<b>Amount in intangible assets under development for a period</b>				
	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	-	-	-	-	-
	<u>8.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8.78</u>

**Note:**

Contractual commitments to be executed on capital account amounting to Rs. 0.47 millions. (previous year: Rs. 2.90 millions)

**14 Right of use assets**

	Right of use assets	Total
<b>Gross carrying amount</b>		
Balance as at April 01, 2022	368.99	368.99
Additions	10.27	10.27
Disposals	-	-
Balance as at March 31, 2023	<u>379.26</u>	<u>379.26</u>
Additions	77.92	77.92
Disposals	-	-
Balance as at March 31, 2024	<u>457.18</u>	<u>457.18</u>
<b>Depreciation</b>		
Balance as at April 01, 2022	134.04	134.04
Additions	48.87	48.87
Disposals	-	-
Balance as at March 31, 2023	<u>182.91</u>	<u>182.91</u>
Additions	54.79	54.79
Disposals	-	-
Balance as at March 31, 2024	<u>237.70</u>	<u>237.70</u>
<b>Net carrying amount</b>		
As at March 31, 2022	234.95	234.95
As at March 31, 2023	196.35	196.35
As at March 31, 2024	<u>219.48</u>	<u>219.48</u>

Note: For other details please refer Note 46

**15 Other intangible assets**

	Software	Total
<b>Gross carrying amount</b>		
Balance as at April 01, 2022	64.60	64.60
Additions	5.95	5.95
Disposals	-	-
Balance as at March 31, 2023	<u>70.55</u>	<u>70.55</u>
Additions	21.64	21.64
Disposals	(3.21)	(3.21)
Balance as at March 31, 2024	<u>88.98</u>	<u>88.98</u>
<b>Amortization</b>		
Balance as at April 01, 2022	33.20	33.20
Additions	15.69	15.69
Disposals	-	-
Balance as at March 31, 2023	<u>48.89</u>	<u>48.89</u>
Additions	12.18	12.18
Disposals	(3.06)	(3.06)
Balance as at March 31, 2024	<u>58.01</u>	<u>58.01</u>
<b>Net carrying amount</b>		
As at March 31, 2022	31.41	31.41
As at March 31, 2023	21.66	21.66
As at March 31, 2024	<u>30.97</u>	<u>30.97</u>



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

	As at March 31, 2024	As at March 31, 2023
<b>16 Other non-financial assets</b>		
Prepaid expenses	217.39	145.39
Other non-financial assets*	5.74	20.27
<b>Total</b>	<b>223.13</b>	<b>165.66</b>

\*Includes 18.63 million incurred for expenses in the previous year related to issue of equity shares and has been adjusted with share premium of the issue, in the current year (Refer Note 26)

<b>17 Assets held for sale</b>		
Assets under settlement (see note below)	75.00	75.00
	<b>75.00</b>	<b>75.00</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, had Impaired asset under settlement amounting to Rs. 68.88 million in the previous year.



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

	As at March 31, 2024	As at March 31, 2023
<b>18 Payables</b>		
<b>a. Trade payables</b>		
i. Total outstanding dues of micro and small enterprises (See note "B" below )	25.33	8.97
ii. Total outstanding dues of creditors other than micro and small enterprises	1,766.68	1,133.20
	<u>1,792.01</u>	<u>1,142.17</u>
<b>b. Other payables</b>		
i. Total outstanding dues of micro and small enterprises (See note "B" below )	-	-
ii. Total outstanding dues of creditors other than micro and small enterprises	730.36	525.06
	<u>730.36</u>	<u>525.06</u>
<b>Total</b>	<u>2,522.37</u>	<u>1,667.23</u>

**A) Trade payable and other payable aging schedule**

**As at 31 March 2024**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	25.33	-	-	-	25.33
Total outstanding dues of creditors other than micro and small enterprises	2,299.22	125.83	50.23	21.76	2,497.04
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-
<b>Total</b>	<u>2,324.55</u>	<u>125.83</u>	<u>50.23</u>	<u>21.76</u>	<u>2,522.37</u>

**As at 31 March 2023**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	8.97	-	-	-	8.97
Total outstanding dues of creditors other than micro and small enterprises	1483.56	134.94	31.58	8.18	1658.26
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro 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>



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

**B) Amount outstanding of micro and small enterprises**

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

	As at March 31, 2024	As at March 31, 2023
i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	25.33	8.97
- Interest thereon	-	-
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)	7,122.07	15,352.85
Commercial paper (refer note 19.2)	245.44	-
Market linked debentures (refer note 19.3)	1,494.65	1,485.06
	<b>8,862.16</b>	<b>16,837.91</b>
Secured **	3,976.72	1,984.92
Unsecured	4,885.44	14,852.99
Total	<b>8,862.16</b>	<b>16,837.91</b>
Debt securities in India	8,862.16	16,837.91
Debt securities outside India	-	-
Total	<b>8,862.16</b>	<b>16,837.91</b>

\*\* Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company of Rs. 5,320.00 millions (previous year Rs. 2,668.62 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		Terms of redemption
							outstanding as at March 31, 2024	outstanding as at March 31, 2023	
INE604C07159	June 30, 2020	June 30, 2023	1,000,000	500	9.00%	500	-	499.85	36 Months from the date of Allotment. Coupon payment frequency is yearly
INE604C07175	November 28, 2023	August 22, 2025	100,000	20,000	9.75%	2,000	1,982.69	-	633 Days from the date of allotment. Coupon payment frequency is annually
INE604C07183	January 24, 2024	July 24, 2026	100,000	5,000	9.80%	500	499.38	-	912 Days from the date of Allotment. Coupon and principal payment frequency is half-yearly
<b>Total</b>							<b>2,482.07</b>	<b>499.85</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		Terms of redemption
							outstanding as at March 31, 2024	outstanding as at March 31, 2023	
INE604C08082	November 25, 2019	November 25, 2023*	1,000,000	2,040	8.50%	2,040.00	-	2,040.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604C08090	December 10, 2019	December 10, 2023**	1,000,000	867	8.50%	867.00	-	867.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604C08108	February 20, 2020	February 20, 2024***	1,000,000	7,172	8.50%	7,172.00	-	7,172.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604C08124	February 28, 2020	February 28, 2024	1,000,000	4,640	9.50%	4,640.00	-	4,640.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604C08116	March 12, 2020	March 12, 2024	1,000,000	134	8.50%	134.00	-	134.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604C08132	March 12, 2024	March 12, 2027	100,000	46,400	9.80%	4,640.00	4,640.00	-	36 months from date of allotment. Coupon payment frequency is quarterly
<b>Total</b>							<b>4,640.00</b>	<b>14,853.00</b>	

\* Redeemed prematurely on May 19, 2023

\*\* Redeemed prematurely on May 5, 2023

\*\*\* Redeemed prematurely on January 24, 2024

**19.2 Terms of Commercial Paper**

**Unsecured**

ISIN	Date of allotment	Date of redemption	Nominal value per unit/ per commercial paper	Number	Rate of interest	Face value	Amount		Terms of redemption
							outstanding as at March 31, 2024*	outstanding as at March 31, 2023	
INE604D14049	March 28, 2024	June 14, 2024	500,000	500	9.05%		245.44	-	78 days from the date of allotment
<b>Total</b>							<b>245.44</b>		

\* Includes discount accretion of INR 4.56 million as at March 31, 2024

**19.3 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		Terms of redemption
							outstanding as at March 31, 2024	outstanding as at March 31, 2023	
INE604C07167	October 21, 2022	October 21, 2024	1,000,000	1,500	As per Table Below *	1,500.00	1,494.65	1,485.06	24 Months from the date of Allotment. Coupon is payable on/at maturity.
<b>Total</b>							<b>1,494.65</b>	<b>1,485.06</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)**

**20 Borrowings (other than debt securities) (at amortised cost)**

	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>Term loans</b>		
From banks and financial institutions (See note i, iv and vi below)	52,377.03	20,489.36
<b>Other loans</b>		
Securitisations - PTC Borrowings (See note iii and v below)	7,019.37	2,902.81
<b>Cash credit and overdraft</b>		
From banks (See note i and ii below)	112.88	496.34
	<b>59,509.28</b>	<b>23,888.51</b>
<b>Borrowings in India</b>	59,509.28	23,888.51
<b>Borrowings outside India</b>	-	-
<b>Total</b>	<b>59,509.28</b>	<b>23,888.51</b>

**Notes:**

i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 70,552.22 millions (Previous year: Rs. 28,663.73 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 fixed charge by way of hypothecation of loans and receivables of the Company to the extent of Rs. 8,988.54 millions (Previous year : 3,748.46 millions)

iv) Terms of repayment of borrowings as on March 31, 2024 are as follows:

Lender	Disbursement Amount	Repayment	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023
Bank of Baroda-2	500	16 monthly installments	124.80	249.25
Bank of Baroda-3	500	16 quarterly installments	249.35	373.58
Bank of Baroda-4	1,000	12 quarterly installments	498.46	829.14
Bank of Baroda-5	1,000	12 quarterly installments	664.10	994.31
Bank of Baroda-6	3,000	12 quarterly installments	2,730.82	-
Karnataka Bank Limited -1	200	11 quarterly installments	18.18	89.86
Karnataka Bank Limited -2	250	11 quarterly installments	4.55	110.93
Karnataka Bank Limited -3	500	11 quarterly installments	181.17	361.95
Karnataka Bank Limited -4	250	34 monthly installments	205.41	-
Karnataka Bank Limited -5	1,000	34 monthly installments	909.85	-
Bank of Maharashtra-1	500	42 monthly installments	178.21	320.31
Bank of Maharashtra-2	2,000	42 monthly installments	1,279.77	1,846.91
Bank of Maharashtra-3	2,000	33 monthly installments	1,747.98	-
HDFC Bank Limited-2	750	8 quarterly installments	-	102.64
HDFC Bank Limited-3	800	8 quarterly installments	-	399.23
HDFC Bank Limited-4	1,000	8 quarterly installments	249.86	747.92
HDFC Bank Limited-5	1,000	6 quarterly installments	166.59	830.56
HDFC Bank Limited-6	2,000	8 quarterly installments	997.66	2,000.00
HDFC Bank Limited-7	2,000	12 quarterly installments	1,661.09	-
HDFC Bank Limited-8	1,000	12 quarterly installments	830.35	-
HDFC Bank Limited-9	2,930	8 quarterly installments	2,917.79	-
State Bank Of India-1	1,000	15 quarterly installments	332.17	596.52
State Bank Of India-2	2,000	15 quarterly installments	1,062.82	1,591.46
State Bank of India -3	2,000	15 quarterly installments	1,460.89	1,988.97
State Bank of India -4	7,500	15 quarterly installments	6,926.12	-
Kotak Mahindra Bank Limited-1	400	24 monthly installments	-	149.90
Kotak Mahindra Bank Limited-2	750	24 monthly installments	93.74	468.26
Kotak Mahindra Bank Limited-3	750	24 monthly installments	468.36	-
Kotak Mahindra Bank Limited-4	250	24 monthly installments	170.28	-
Kotak Mahindra Bank Limited-5	1,500	24 monthly installments	1,310.93	-
Kotak Mahindra Bank Limited-6	500	24 monthly installments	499.31	-
IndusInd Bank Limited -1	500	12 quarterly installments	164.36	331.15
IndusInd Bank Limited -2	500	12 quarterly installments	329.80	494.98
IndusInd Bank Limited -3	2,500	12 quarterly installments	2,055.88	-
IndusInd Bank Limited -4	500	12 quarterly installments	491.45	-
Punjab National Bank-1	500	35 monthly installments	140.60	312.51
Punjab National Bank-2	500	14 quarterly installments	496.27	-
South Indian Bank Limited -2	500	15 quarterly installments	263.12	398.02
South Indian Bank Limited -3	1,000	7 quarterly installments	996.84	-
Indian Bank-1	750	16 quarterly installments	420.92	560.45
Indian Bank-2	500	11 quarterly installments	362.55	497.48
Indian Bank-3	500	16 quarterly installments	497.70	-
Sumitomo Mitsui Banking Corporation-1	1,000	Upto 3 Months	-	999.73
Sumitomo Mitsui Banking Corporation - 2	2,000	Upto 3 Months	1,999.45	-



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

MUFG Bank Limited	4,000	upto 6 months	4,000.00	-
CSB Bank Limited-1	500	12 quarterly installments	205.32	373.43
CSB Bank Limited - 2	250	12 quarterly installments	206.59	-
DCB Bank	250	11 quarterly installments	157.91	250.02
Bandhan Bank-1	500	45 monthly installments	364.84	498.48
Bandhan Bank-2	1,000	45 monthly installments	996.72	-
Utkarsh Small Finance Bank Limited-1	300	37 monthly installments	178.12	275.16
Utkarsh Small Finance Bank Limited - 2	380	37 monthly installments	338.39	-
Jammu & Kashmir Bank Limited	500	14 quarterly installments	424.58	496.25
Canara Bank	1,000	14 quarterly installments	922.31	-
Axis Bank Ltd-1	1,000	8 quarterly installments	621.08	-
Axis Bank Ltd-2	2,000	8 quarterly installments	1,994.02	-
Tata Capital Limited	500	36 monthly installments	388.04	-
Indian Overseas Bank	500	14 quarterly installments	494.84	-
Bajaj Finance Limited	1,000	36 monthly installments	886.42	-
Federal Bank Limited	500	10 quarterly installments	445.56	-
Aditya Birla Finance Limited	500	12 quarterly installments	456.63	-
Poonawalla Fincorp Limited	500	36 Monthly installments	473.68	-
UCO Bank	2,000	12 quarterly installments	1,812.62	-
HDFC Bank Limited WCDL	450	Upto 90 days	450.00	450.00
IndusInd Bank Limited WCDL	250	upto 360 days	249.81	-
Indian Bank WCDL	150	Upto 1 year	150.00	-
HDFC Bank Limited CC WCDL	500	5 months	-	500.00
<b>Total</b>			<b>52,377.03</b>	<b>20,489.36</b>

Interest rate ranges from 8.00% p.a to 10.10% p.a  
Security cover ratio ranges from 1.10 times to 1.33 times

**v) Terms of repayment of Securitization- PTC borrowings as on March 31, 2024 are as follows:**

Securitisation	Total Amount	Payment Terms	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023
MOST I	2,381.00	Monthly Payout to the Trust on the Pay in Date	-	119.00
PLUM II	772.70	Monthly Payout to the Trust on the Pay in Date	21.20	552.50
PLUM I	905.30	Monthly Payout to the Trust on the Pay in Date	201.57	748.30
PLUM III	1,491.20	Monthly Payout to the Trust on the Pay in Date	483.65	1,483.01
PLUM 24-1	830.02	Monthly Payout to the Trust on the Pay in Date	213.53	-
PLUM 24-2	649.09	Monthly Payout to the Trust on the Pay in Date	171.88	-
PLUM 24-3	1,504.46	Monthly Payout to the Trust on the Pay in Date	811.56	-
PLUM 24-4	1,272.38	Monthly Payout to the Trust on the Pay in Date	773.37	-
PLUM 24-5	977.60	Monthly Payout to the Trust on the Pay in Date	715.54	-
PLUM 24-6	514.28	Monthly Payout to the Trust on the Pay in Date	406.99	-
PLUM 24-7	1,862.79	Monthly Payout to the Trust on the Pay in Date	1,713.79	-
PLUM 24-10	483.34	Monthly Payout to the Trust on the Pay in Date	481.17	-
PLUM 24-11	1,028.20	Monthly Payout to the Trust on the Pay in Date	1,025.12	-
<b>Total</b>			<b>7,019.37</b>	<b>2,902.81</b>

Interest rate ranges from 9.15% p.a to 9.35% p.a

vi) Secured term loans from banks amounting to Rs. 52,377.03 millions (Previous Year : 20,489.36 millions) and carry rate of interest in the range of 8.00% p.a to 10.10% p.a. (Previous year: 6.00% p.a to 12.00% 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.

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

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

ix) The 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.

x) The Company doesn't have any charges or satisfaction which is yet to be registered with ROC beyond statutory period except charge amounting to 7,221.91 millions on terms loans outstanding amounting to 5,430 millions, which is yet to be registered with the ROC, since the deed of hypothecation was not executed as at 31 March 2024.

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

	As at March 31, 2024	As at March 31, 2023
<b>21 Lease liabilities</b>		
Lease liabilities (refer note 46)	265.29	242.29
	<u>265.29</u>	<u>242.29</u>
<b>22 Other financial liabilities</b>		
Interest accrued but not due		
- Debt securities	282.25	208.49
- Borrowings other than debt securities	206.49	75.49
	<u>488.74</u>	<u>283.98</u>
<b>23 Provisions</b>		
Provision for gratuity (refer note 38)	52.13	38.20
Provision for compensated absences	79.52	58.15
	<u>131.65</u>	<u>96.35</u>
<b>24 Other non-financial liabilities</b>		
Statutory dues payable	290.63	221.33
Security deposit	4.71	4.71
	<u>295.34</u>	<u>226.04</u>



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

**25 Equity share capital**

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>A. Authorized share capital</b>				
Equity shares of Rs. 10 each	1,965,000,000	19,650.00	1,965,000,000	19,650.00
Compulsorily convertible preference shares of Rs. 10 each	35,000,000	350.00	35,000,000	350.00
	<u>2,000,000,000</u>	<u>20,000.00</u>	<u>2,000,000,000</u>	<u>20,000.00</u>
<b>B. Issued, subscribed and paid up</b>				
<b>Fully called-up and paid-up</b>				
Equity shares of Rs. 10 each	740,864,608	7,408.65	655,152,742	6,551.53
<b>Sub total (A)</b>	<u>740,864,608</u>	<u>7,408.65</u>	<u>655,152,742</u>	<u>6,551.53</u>
<b>Partly called-up and paid-up</b>				
Equity shares of Rs. 10 each	57,315,400	16.22	57,315,400	16.22
<b>Sub total (B)</b>	<u>57,315,400</u>	<u>16.22</u>	<u>57,315,400</u>	<u>16.22</u>
<b>Total (A+B)</b>	<u>798,180,008</u>	<u>7,424.87</u>	<u>712,468,142</u>	<u>6,567.75</u>

**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	712,468,142	6,567.75	712,393,401	6,567.00
Changes in equity share capital due to prior period errors				
Restated balance at the beginning of the period	712,468,142	6,567.75	712,393,401	6,567.00
Shares Issued during the year	85,711,866	857.12	74,741	0.75
First call money called on partly paid up shares				
<b>Balance at the end of year</b>	<u>798,180,008</u>	<u>7,424.87</u>	<u>712,468,142</u>	<u>6,567.75</u>

**25.2 Shares held by holding Company**

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	519,272,316	69.94%	519,889,603	79.16%
	<u>519,272,316</u>	<u>69.94%</u>	<u>519,889,603</u>	<u>79.16%</u>

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

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
DMI Limited	519,272,316	69.94%	519,889,603	79.16%
NIS Ganesha S.A.	64,735,441	8.72%	64,735,441	9.86%
MUFG Bank Limited	73,830,443	9.94%		

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 34,43,272 equity shares at a face value of Rs. 10 each on the exercise of stock options and warrants. The amount received on these issues aggregates to Rs. 285.39 million.

(ii) % holding is calculated on the basis of paid up capital.



**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, 2024	As at March 31, 2023
Equity shares of Rs. 10 each fully paid up		
No. of shares at the beginning of the year	519,889,603	519,889,603
Change during the year	(617,287)	-
No. of shares at the end of the year	519,272,316	519,889,603
% of total shares	69.94%	79.16%
% change during the year	(11.65%)	(0.01%)

DMI Limited is the promoter of the Company, as defined under Companies Act 2013

**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. 165.25 millions (including securities Premium of Rs. 149.03 millions). 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 5,73,15,400 partly paid equity shares are expected to be reduced to 16,22,138 shares. Further, the order from NCLT is awaited.

**25.9 Share application money pending allotment**

The company has received Rs. 1.84 millions on which allotment of shares is not yet made.



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

26 Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium	46,561.46	25,711.77
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	2,574.33	1,741.05
Share based payment outstanding reserve	501.65	305.07
Share warrant reserve	100.93	74.80
Retained earnings	10,075.77	6,742.67
Other comprehensive Income	836.50	836.13
Upfront monies received on share warrant	0.72	0.72
Share application money pending allotment	1.84	-
<b>Total</b>	<b>60,734.41</b>	<b>35,493.42</b>
<b>Securities premium</b>		
Opening balance	25,711.77	25,707.55
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	20,873.32	4.22
Less: Expenses related to Issue of equity shares*	(23.63)	-
Closing balance	46,561.46	25,711.77
* Includes 18.63 millions incurred in previous financial year.		
<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	1,741.05	1,093.02
Add : Transfer during the year from Surplus in statement of profit and loss	833.28	648.03
Closing balance	2,574.33	1,741.05
<b>Share based payment outstanding reserve</b>		
Opening balance	305.07	187.02
Add: Granted/vested during the year	291.50	121.09
Less : Exercised during the year	(94.92)	(3.04)
Closing balance	501.65	305.07
<b>Share warrant reserve</b>		
Opening balance	74.80	32.44
Add: Granted/vested during the year	53.89	42.36
Less : Exercised during the year	(27.76)	-
Closing balance	100.93	74.80
<b>Retained earnings</b>		
Opening balance	6,742.67	4,150.54
Add : Profit for the year	4,166.38	3,240.16
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(833.28)	(648.03)
Closing balance	10,075.77	6,742.67



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

	As at March 31, 2024	As at March 31, 2023
<b>Upfront monies received on share warrant</b>		
Opening balance	0.72	0.50
Add : Amount received during the year	-	0.22
Closing balance	0.72	0.72
<b>Other Comprehensive Income</b>		
Opening balance	836.13	661.59
Add: Remeasurement gain on defined benefit plan	0.19	4.14
Add : Gain on Fair Value changes (debt and equity)	(796.30)	170.40
Add: Realised Gain on investments	796.48	-
Closing balance	836.50	836.13
<b>Share application money pending allotment</b>		
Opening balance	-	-
Add : Amount received during the year	1.84	-
Closing balance	1.84	-

**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 based payment outstanding reserve**

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

**Share warrant reserve**

The reserve is used to recognise the fair value of the warrants issued.

**Retained earnings**

Retained earnings or accumulated surplus 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.

**Share application money pending allotment**

The company has received Rs. 1.84 millions on which allotment of shares is not yet made.



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

**27 Interest Income**

	Year ended March 31, 2024			Year ended March 31, 2023		
	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	-	24,582.38	14.99	-	15,391.00	21.51
Interest income on Investments	-	504.11	143.74	14.95	348.44	155.50
Interest on deposits with bank	-	56.50	-	-	38.08	-
<b>Total Interest Income</b>		<b>25,142.99</b>	<b>158.73</b>	<b>14.95</b>	<b>15,777.52</b>	<b>177.01</b>
			<b>25,301.72</b>			<b>15,969.48</b>

**27A Dividend Income**

	Year ended March 31, 2024	Year ended March 31, 2023
Dividend income	16.00	3.34
	<b>16.00</b>	<b>3.34</b>

**28 Fees and commission income**

	Amount invoiced		Revenue booked	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Foreclosure Income	77.56	18.49	77.56	18.49
Service and administration income	313.98	93.69	313.98	93.69
Distribution income	96.71	-	96.71	-
Others	-	-	152.85	89.56
	<b>488.25</b>	<b>112.18</b>	<b>641.10</b>	<b>201.74</b>

**29 Net gain on fair value changes**

	Year ended March 31, 2024	Year ended March 31, 2023
(A) Net gain on financial Instruments at fair value through profit and loss On financial Instruments designated at fair value through profit or loss	508.97	197.60
(B) others	-	-
	<b>508.97</b>	<b>197.60</b>
Analysis of fair value changes <sup>a</sup>		
Realised	408.12	337.47
Unrealised	100.85	(139.87)
	<b>508.97</b>	<b>197.60</b>

<sup>a</sup> shows the change from the date of Investment

**30 Other Income**

Cost sharing from group companies	71.81	174.89
Liabilities no longer required written back	139.20	-
Miscellaneous income	8.49	18.01
	<b>219.50</b>	<b>192.90</b>

**31 Finance costs**

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,017.99	1,533.36
- on market linked debentures	146.30	62.11
- on commercial paper	48.40	-
Interest on borrowings (other than debt securities)		
- on bank term loan	3,180.26	1,189.84
- on bank cash credit	14.66	20.19
Other interest expense		
- on delayed deposit of statutory dues	3.81	-
- on leasing arrangements	23.73	26.33
- securitisation	421.41	179.95
Other borrowing costs	10.92	6.87
	<b>4,867.48</b>	<b>3,018.65</b>





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

	Year ended March 31, 2024	Year ended March 31, 2023
<b>32 Fees and commission expense</b>		
Selling partner commission	1,584.00	1,329.74
	<u>1,584.00</u>	<u>1,329.74</u>
<b>33 Impairment on financial instruments</b>		
Expected credit loss allowance	(116.81)	461.24
Write offs	9,265.47	3,550.96
	<u>9,148.66</u>	<u>4,012.20</u>
<b>34 Employee benefits expense</b>		
Salaries, wages and bonus	1,185.43	1,031.40
Contribution to provident and other funds	17.46	15.04
Gratuity expenses (refer note 38)	16.50	13.36
Share based payment to employees **	349.71	133.48
Staff welfare expenses	64.94	41.94
	<u>1,634.04</u>	<u>1,235.22</u>
** Includes Rs. 14.41 millions (Previous year : Rs. 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)	49.43	43.64
Amortisation of right of use assets (See note 14)	54.79	48.87
Amortisation of other intangible assets (See note 15)	12.18	15.69
	<u>116.40</u>	<u>108.20</u>
<b>36 Other expenses</b>		
Advertisement expenses	54.65	25.10
Legal and professional fees*	1,341.19	867.49
Travelling and conveyance expenses	67.41	73.64
Auditor's remuneration (refer note 36.1)	5.58	5.09
IT expenses	644.17	487.78
Rates and taxes	28.14	7.00
Rent	9.72	10.69
Goods and service tax	736.43	420.12
Director's sitting fee	0.84	0.76
Corporate social responsibility (refer note 36.2)	36.49	16.25
Repair and maintenance	24.28	25.94
Insurance expense	1.15	0.10
Credit evaluation fee	585.48	328.60
Credit rating fee	18.14	9.93
Customer onboarding expenses	-	0.06
Assets held for sale written off	-	68.88
Collection charges	217.61	125.41
Miscellaneous expenses	89.37	9.62
	<u>3,860.65</u>	<u>2,482.46</u>
* includes share warrant expense amounting to Rs. 8.76 millions (previous year Rs. 40.79 millions)		
<b>36.1 Auditor's remuneration (excluding applicable taxes)</b>		
- as auditors	3.60	3.36
- for tax audit	0.35	0.36
- for other services	1.30	1.12
- out of pocket expenses	0.33	0.25
	<u>5.58</u>	<u>5.09</u>



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

**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. 36.48 millions in FY 2023-24 (Previous Year Rs. 16.25 millions) and Company has spent Rs. 35.58 millions in FY 2023-24 (Previous Year Rs. 15.33 millions).

	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount unspent for the last year	0.92	-
Gross amount required to be spent by the Company during the year	36.48	16.25
Amount spent during the year	35.58	15.33
<b>Paid in cash</b>	<b>35.58</b>	<b>15.33</b>
<b>Yet to be paid in cash</b>	<b>0.90</b>	<b>0.92</b>
<b>Nature of CSR Activities (see note d)</b>		
Education, Nutrition and Women Empowerment	21.60	9.83
Promoting and development towards healthcare	0.73	-
Training and helping Indian Athletes to win Olympic Gold medals	2.22	-
Upliftment of abandoned and poor	3.00	4.00
Provision of low cost sanitation	2.50	1.50
Rural women development	3.00	-
Welfare of stray dogs	1.00	-

**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 0.90 millions in the books as at March 31, 2024 (Previous year Rs. 0.92 millions)
- c) As per the provisions of the Companies Act, 2013 read with Schedule VII, unspent amount of Rs. 0.90 million will be spent within 6 months from the end of FY, i.e. latest by Sept 30, 2024 in the specified fund (Unspent amount in the previous year of Rs 0.92 million was transferred to the specified fund on 15th June, 2023)
- d) The above spent amount of Rs. 35.58 million includes administrative expenses of Rs. 1.53 million as allowed as per the CSR Rules.

**37 Earning per share (EPS)**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Net profit attributable to equity shareholders</b>	<b>4,166.38</b>	<b>3,240.16</b>
Net profit for the year for basic EPS	4,166.38	3,240.16
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	4,166.38	3,240.16
<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>73,91,39,701</b>	<b>65,67,16,725</b>
Weighted average number of potential equity shares on exercise of stock option and warrants	82,89,717	98,34,747
Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)	74,74,29,418	66,65,51,472
<b>Basic EPS</b>	<b>5.64</b>	<b>4.93</b>
<b>Dilutive EPS</b>	<b>5.57</b>	<b>4.86</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. 17.46 millions (previous year: Rs. 15.04 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:**

Balance at the beginning of the year  
 Current service cost  
 Interest cost  
 Benefits Paid  
 Remeasurement (gain)  
 Balance at the end of the year

	As at March 31, 2024	As at March 31, 2023
	38.20	32.58
	13.69	11.02
	2.81	2.34
	(2.31)	(2.21)
	(0.26)	(5.53)
	<b>52.13</b>	<b>38.20</b>

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

Current service cost  
 Interest cost on defined benefit obligation  
 Net impact on profit before tax

	Year ended March 31, 2024	Year ended March 31, 2023
	13.69	11.02
	2.81	2.34
	<b>16.50</b>	<b>13.36</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  
 Experience adjustments  
 Impact on other comprehensive income

	-	-
	1.91	(1.00)
	(2.17)	(4.53)
	<b>(0.26)</b>	<b>(5.53)</b>

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

**Economic assumptions**

Discount rate 7.11% 7.36%  
 Future salary increases 6.00% 6.00%

**Demographic assumptions**

Retirement age 60 60  
 Mortality rates inclusive of provision for disability 100% of IALM (2012- 14) 100% of IALM (2012- 14)

**Attrition at ages (withdrawal rate)**

(i) up to 30 years 3.00% 3.00%  
 (ii) From 31 to 44 years 2.00% 2.00%  
 (iii) Above 44 years 1.00% 1.00%

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



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

**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 March 31, 2024	Year ended March 31, 2023
	(3.72)	(2.75)
	4.12	3.05
	3.00	2.34
	(2.92)	(2.16)

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 March 31, 2024	As at March 31, 2023
	1.00	0.74
	0.74	0.54
	0.85	0.60
	1.19	0.65
	1.26	0.89
	2.31	0.88
	44.78	33.90
	<u>52.13</u>	<u>38.20</u>

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 20.03 years (Previous year : 20.21 years)



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

39 Employee Stock Option Plan

1. The Company has formulated share-based payment schemes for its group employees. Details of all grants in operation during the year ended March 31, 2024 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of options granted	Method of settlement	Graded vesting period *	First vesting date	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	1-Apr-19	2/11/2020	360,043	Shares	See Below	3/31/2020	As per plan	95.49	95.49
Founder Circle Award 2019-20 (NBFC Apr'20)	16-Mar-20	2/11/2020	395,000	Shares	See Below	3/15/2021	As per plan	100.00	101.87
DMI Finance ESOP Plan 2018 - II	19-Mar-18	3/16/2018	-	Shares	See Below	3/18/2019	As per plan	43.90	22.81
DMI Finance ESOP Plan 2018	1-Apr-18	3/16/2018	446,009	Shares	See Below	3/31/2019	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme - I	1-Apr-18	3/16/2018	-	Shares	See Below	3/31/2019	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme - II	1-Oct-18	10/1/2018	-	Shares	See Below	9/30/2019	As per plan	46.74	95.49
DMI ESOP Plan, Legacy Scheme	1-Apr-18	3/16/2018	138,350	Shares	See Below	3/31/2019	As per plan	13.29	24.68
DMI Finance ESOP Plan 2020 - II	16-Feb-21	4/9/2020	9,228	Shares	See Below	2/15/2022	As per plan	113.34	113.34
Founder Circle Award 2019-20 (NBFC Apr'20) - I	21-Apr-20	4/9/2020	275,000	Shares	See Below	3/31/2021	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	1-Apr-20	4/9/2020	250,644	Shares	See Below	3/31/2021	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020 - III	1-Jan-21	4/9/2020	6,055	Shares	See Below	3/31/2021	As per plan	113.34	113.34
DMI Finance Plan 2021	1-Apr-21	6/21/2021	460,392	Shares	See Below	4/1/2022	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	1-Apr-21	6/21/2021	260,000	Shares	See Below	4/1/2024	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	6/21/2021	2,759,000	Shares	See Below	7/27/2024	As per plan	112.86	112.86
Employment Contracts - Jan'22	20-Dec-21	6/21/2021	12,210	Shares	See Below	12/20/2024	As per plan	209.00	209.00
DMI ESOP Plan, Management Scheme - III	15-Jan-22	6/21/2021	18,315	Shares	See Below	1/15/2023	As per plan	209.00	209.00
Employment Contracts - Feb'22 - I	28-Jan-22	6/21/2021	6,105	Shares	See Below	1/28/2025	As per plan	209.00	209.00
Employment Contracts - Feb'22 - II	1-Mar-22	6/21/2021	-	Shares	See Below	3/1/2025	As per plan	209.00	209.00
Employment Contracts - Feb'22 - III	7-Mar-22	6/21/2021	3,563	Shares	See Below	3/7/2025	As per plan	209.00	209.00
DMI Finance ESOP Plan 2022	1-Apr-22	5/20/2022	447,949	Shares	See Below	4/1/2023	As per plan	212.81	212.81
DMI Finance ESOP Plan 2022 - II	1-Jul-22	5/20/2022	749	Shares	See Below	4/1/2023	As per plan	212.81	212.81
Employment Contract - Aug'22 - II	12-Aug-22	8/12/2022	-	Shares	See Below	8/12/2025	As per plan	217.77	217.77
Employment Contract - Aug'22 - III	25-Aug-22	8/12/2022	1,670	Shares	See Below	8/25/2025	As per plan	217.77	217.77
Employment Contract - Jun'22	22-Jun-22	8/12/2022	5,945	Shares	See Below	6/22/2025	As per plan	212.81	217.81
Employment Contract - Mar'23	1-Mar-23	3/27/2023	29,154	Shares	See Below	3/1/2026	As per plan	225.11	225.11
Employment Contract - Nov'22	10-Nov-22	11/14/2022	-	Shares	See Below	11/10/2025	As per plan	217.53	217.77
Employment Contract - Sep'22	30-Sep-22	11/14/2022	2,188	Shares	See Below	9/30/2025	As per plan	221.53	217.77
Employment Contracts - Apr'22	28-Apr-22	5/20/2022	1,784	Shares	See Below	4/28/2025	As per plan	212.81	212.81
Employment Contracts - Jul'22	1-Jul-22	8/12/2022	30,000	Shares	See Below	7/1/2025	As per plan	217.77	217.77
Employment Contracts - May'22	4-May-22	5/20/2022	30,000	Shares	See Below	5/4/2025	As per plan	212.81	212.81
Founder Circle Award 2022-23 (NBFC Feb'23)	1-Feb-23	3/27/2023	9,405,700	Shares	See Below	2/1/2028	As per plan	225.11	225.11
DMI Finance ESOP Plan 2023	1-Apr-23	4/1/2023	480,755	Shares	See Below	4/1/2024	As per plan	259.18	259.18
Founder Circle Award 2023-24 (NBFC Apr'23)	1-Apr-23	4/1/2023	350,000	Shares	See Below	4/1/2028	As per plan	259.18	259.18
Employment Contract - Jul'23	1-Jul-23	6/30/2023	28,946	Shares	See Below	7/1/2026	As per plan	259.18	259.18
Employment Contract - Oct'23	1-Oct-23	9/25/2023	11,525	Shares	See Below	10/1/2026	As per plan	281.84	281.84
Employment Contract - Jan'24	1-Jan-24	12/15/2023	54,388	Shares	See Below	1/1/2027	As per plan	285.69	285.69
<b>Total</b>			<b>16,352,481</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 Employment Contract - Aug'22 - III, Employment Contract - Jun'22, Employment Contract - Sep'22, Employment Contracts - Apr'22, Employment Contracts - Feb'22, Employment Contracts - Jan'22, Employment Contracts - Jul'22, Employment Contracts - May'22, Founder Circle Award 2019-20 (NBFC Apr'20), Founder Circle Award 2019-20 (NBFC Mar'20), Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21), Employment Contract - Mar'23, Employment Contract - Jul'23, Employment Contract - Oct'23, Employment Contract - Jan'24 options will vest on completion of three years from the grant dates respectively.

\*3. For Scheme Founder Circle Award 2022-23 (NBFC Feb'23), Founder Circle Award 2023-24 (NBFC Apr'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/sixth anniversary of Option Grant Date

Note for Scheme modified during the period

Exercise period of the following schemes has been extended from 2 years to 3 years. The fair value of the schemes is calculated as per Black-Scholes Model

Scheme name	Original Fair value	Revised Fair Value	Incremental Fair Value
DMI ESOP Plan 2019	38.86	43.83	4.96
DMI ESOP Plan, Legacy Scheme	15.32	15.99	0.67
DMI ESOP Plan, Management Scheme	49.45	52.62	3.17
DMI Finance ESOP Plan 2018	1.15	3.51	2.36



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

II. Reconciliation of options  
March 31, 2024

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 Finance ESOP Plan 2018 - II	23,038	-	23,038	-	-	-
DMI Finance ESOP Plan 2018	1,062,854	-	616,845	-	446,009	0.50
DMI ESOP Plan, Management Scheme - I	7,073	-	7,073	-	-	-
DMI ESOP Plan, Management Scheme - II	579,148	-	507,434	-	71,714	0.50
DMI ESOP Plan, Legacy Scheme	281,354	-	143,004	-	138,350	0.00
DMI ESOP PLAN 2019	625,248	-	265,205	-	360,043	1.00
Founder Circle Award 2019-20 (NBFC Apr'20)	1,335,000	-	940,000	-	395,000	1.06
DMI Finance ESOP Plan 2020 - II	23,068	-	13,840	-	9,228	1.88
Founder Circle Award 2019-20 (NBFC Apr'20) - I	275,000	-	-	-	275,000	1.06
DMI Finance ESOP Plan 2020	363,094	-	112,450	-	250,644	1.00
DMI Finance ESOP Plan 2020 - III	9,865	-	3,810	-	6,055	1.76
DMI Finance Plan 2021	552,939	-	88,079	4,468	460,392	2.00
Founder Circle Award 2020-21 (NBFC Apr'21)	270,000	-	-	10,000	260,000	2.00
Founder Circle Award 2020-21 (NBFC Jul'21)	3,011,000	-	30,000	222,000	2,759,000	2.32
Employment Contracts - Jan'22	12,210	-	-	-	12,210	2.72
DMI ESOP Plan, Management Scheme - III	18,315	-	-	-	18,315	2.79
Employment Contracts - Feb'22 - I	6,105	-	-	-	6,105	2.83
Employment Contracts - Feb'22 - II	7,326	-	-	7,326	-	-
Employment Contracts - Feb'22 - III	3,663	-	-	-	3,663	2.93
DMI Finance ESOP Plan 2022	501,364	-	33,877	19,538	447,949	3.00
DMI Finance ESOP Plan 2022 - II	2,497	-	-	1,748	749	3.25
Employment Contract - Aug'22 - II	1,670	-	-	1,670	-	-
Employment Contract - Aug'22 - III	1,670	-	-	-	1,670	3.40
Employment Contract - Jun'22	5,945	-	-	-	5,945	3.23
Employment Contract - Mar'23	29,154	-	-	-	29,154	3.92
Employment Contract - Nov'22	2,188	-	-	2,188	-	-
Employment Contract - Sep'22	2,188	-	-	-	2,188	3.50
Employment Contracts - Apr'22	1,784	-	-	-	1,784	3.08
Employment Contracts - Jul'22	30,000	-	-	-	30,000	3.25
Employment Contracts - May'22	30,000	-	-	-	30,000	3.09
Founder Circle Award 2022-23 (NBFC Feb'23)	10,048,700	-	-	643,000	9,405,700	4.84
DMI Finance ESOP Plan 2023	-	507,595	-	26,840	480,755	4.01
Founder Circle Award 2023-24 (NBFC Apr'23)	-	350,000	-	-	350,000	5.01
Employment Contract - Jul'23	-	28,946	-	-	28,946	4.25
Employment Contract - Oct'23	-	13,621	-	2,096	11,525	4.51
Employment Contract - Jan'24	-	54,388	-	-	54,388	4.76
<b>Total</b>	<b>19,123,460</b>	<b>954,550</b>	<b>2,784,655</b>	<b>940,874</b>	<b>16,352,481</b>	

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 Finance ESOP Plan 2018 - II	24,527	-	1,489	-	23,038	0.08
DMI Finance ESOP Plan 2018	1,083,463	-	20,609	-	1,062,854	0.50
DMI ESOP Plan, Management Scheme - I	7,073	-	-	-	7,073	0.50
DMI ESOP Plan, Management Scheme - II	586,222	-	-	7,074	579,148	0.50
DMI ESOP Plan, Legacy Scheme	314,148	-	32,794	-	281,354	0.00
DMI ESOP PLAN 2019	646,899	-	7,497	14,154	625,248	1.00
Founder Circle Award 2019-20 (NBFC Apr'20)	1,400,000	-	-	65,000	1,335,000	1.06
DMI Finance ESOP Plan 2020 - II	23,068	-	-	-	23,068	2.88
Founder Circle Award 2019-20 (NBFC Apr'20) - I	580,000	-	-	305,000	275,000	2.06
DMI Finance ESOP Plan 2020	388,823	-	7,529	18,200	363,094	2.00
DMI Finance ESOP Plan 2020 - III	9,865	-	-	-	9,865	2.76
DMI Finance Plan 2021	633,708	-	4,823	75,946	552,939	3.00
Founder Circle Award 2020-21 (NBFC Apr'21)	430,000	-	-	160,000	270,000	3.00
Founder Circle Award 2020-21 (NBFC Jul'21)	3,723,000	-	-	712,000	3,011,000	3.32
Employment Contracts - Jan'22	14,432	-	-	2,222	12,210	3.72
DMI ESOP Plan, Management Scheme - III	18,315	-	-	-	18,315	3.79
Employment Contracts - Feb'22 - I	6,105	-	-	-	6,105	3.83
Employment Contracts - Feb'22 - II	7,326	-	-	-	7,326	3.92
Employment Contracts - Feb'22 - III	3,663	-	-	-	3,663	3.93
DMI Finance ESOP Plan 2022	-	518,651	-	17,287	501,364	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)	-	10,048,700	-	-	10,048,700	5.84
<b>Total</b>	<b>9,900,637</b>	<b>10,674,447</b>	<b>74,741</b>	<b>1,376,883</b>	<b>19,123,460</b>	



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

Weighted average exercise price of stock options exercised during the year is 75.68 (Previous year: Rs. 48.18)

**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
Founder Circle Award 2019-20 (NBFC Apr'20)	101.87	30.00%	6.50%	-	100.00	40.75
DMI Finance ESOP Plan 2018 - II	22.81	15.00%	6.00%	-	43.90	0.67
DMI Finance ESOP Plan 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme - I	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme - II	95.49	15.00%	7.50%	-	46.74	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Finance ESOP Plan 2020 - II	113.34	30.00%	6.14%	-	113.34	43.35
Founder Circle Award 2019-20 (NBFC Apr'20) - I	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 Finance ESOP Plan 2020 - III	113.34	30.00%	6.14%	-	113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.00	43.49
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
Employment Contracts - Jan'22	209.00	30.00%	6.60%	-	209.00	81.89
DMI ESOP Plan, Management Scheme - III	209.00	30.00%	6.60%	-	209.00	81.89
Employment Contracts - Feb'22 - I	209.00	30.00%	6.60%	-	209.00	81.89
Employment Contracts - Feb'22 - II	209.00	30.00%	6.60%	-	209.00	81.89
Employment Contracts - Feb'22 - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Finance ESOP Plan 2022	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
DMI Finance ESOP Plan 2023	259.18	24.15%	7.18%	-	259.18	95.57
Founder Circle Award 2023-24 (NBFC Apr'23)	259.18	24.15%	7.18%	-	259.18	107.15
Employment Contract - Jul'23	259.18	19.29%	7.10%	-	259.18	88.09
Employment Contract - Oct'23	276.54	19.09%	7.72%	-	281.84	95.44
Employment Contract - Jan'24	285.69	18.09%	7.13%	-	285.69	95.61

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.

Options have been given to employees of the Group in accordance with "DMI Employee Stock Option Plan - 2018".

The employees' compensation expense for Stock options during the year ended 31 March 2024 amounts to Rs. 287.45 millions (previous year Rs. 133.41 millions).

The Company has entered into cost chargeback agreement with the grantor and past 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.

During the Financial year 2018-19, as per the scheme options were granted to employees of the Grantor. The Company has recognised the expense of Rs. 2.81 Millions (previous year: Rs. 0.07 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 12.87 millions as on March 31, 2024 (Rs. 10.06 Millions as on March 31, 2023).



**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 (Ind AS) – 24 'Related Party Disclosures**

**(a) List of related parties**

**Holding company**  
DMI Limited

**Subsidiaries**  
DMI Management Services Private Limited (upto 1 Nov 2023)  
DMI Capital Private Limited  
Appnit Technologies Private Limited

**Associate**  
DMI Alternatives Private Limited (upto 25 Sep 2023)

**Fellow subsidiaries**  
DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)  
DMI Housing Finance Private Limited

**Joint Venture**  
Amperve DMI Private Limited (w.e.f 05 July 2023)

**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 (upto 24 Nov 2023)
Mr. Nipender Kochhar	Director
Mr. Krishan Gopal	Chief Financial Officer (upto 22 May 2023)
Mr. Vivek Wadhwa	Chief Financial Officer (appointed w.e.f 14 Aug 2023)
Mr. Sahib Pahwa	Company Secretary (upto 15 Sep 2023)
Mr. Alfred Victor Mendoza	Nominee Director (w.e.f 14 Nov 2022)
Mr. Masakazu Osawa	Additional Director (w.e.f 13 Apr 2023), Nominee Director (w.e.f 28 Sep 2023)
Ms. Shilpi Varshney	Company Secretary (appointed w.e.f 25 Sep 2023, upto 12 Dec 2023)

**Note:**

1. There is no Company Secretary appointed by the company on the reporting date.
2. Mr. Vivek Wadhwa served as Chief Financial Officer upto 01 Apr 2024.
3. Mr. Jatinder Pal Singh Bhasin was appointed as Interim Chief Financial Officer by the company on 25 Apr 2024

**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  
Quickwork Technologies Private Limited  
2022 Revocable Trust of Yuvraj C. Singh  
Shivashish Chatterjee Revocable Trust  
DMI Alternatives Private Limited (w.e.f 26 Sep 2023)  
DMI Management Services Private Limited (w.e.f 2 Nov 2023)

**Entity with significant influence**

Ganesha Fixed Income Limited

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

Name of related party	Nature of transaction	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
DMI Housing Finance Private Limited	Cost share recovery	38.32	63.09
	Share based payment	17.21	12.45
	Reimbursement of expense paid by related party on behalf of entity	1.52	4.00
DMI Management Services Private Limited	Cost share recovery	0.04	0.06
	Dividend Income	16.00	





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

DMI Capital Private Limited	Cost share recovery	0.60	0.60
	Share based payment	1.71	0.81
DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)	Investment in optionally convertible debentures	752.88	-
DMI Alternatives Private Limited	Cost share recovery	44.18	88.21
	Share based payment	2.48	0.85
	Reimbursement of expense paid by related party on behalf of entity	2.38	1.34
	Other expenses	38.66	-
	Sale of units of Alternative Investment Fund (Special Opportunities Scheme)	1.45	-
	Sale of shares held in DMI Management	4.59	-
Ampverse DMI Private Limited	Purchase of compulsorily convertible preference shares	131.20	-
Ganesha Fixed Income Limited	Interest expenses	10.83	11.39
	Repayment of loan	134.00	-
Appnil Technologies Pvt Ltd	Cost share recovery	25.71	13.85
	Reimbursement of expense paid by related party on behalf of entity	0.03	1.65
	Other expenses	80.17	13.20
	Investment in equity	69.00	-
2022 Revocable Trust of Yuvraj C. Singh	Sale of shares held in DMI Alternatives	33.52	-
	Sale of units of Alternative Investment Fund (Special Opportunities Scheme)	1.89	-
Shivashish Chatterjee Revocable Trust	Sale of shares held in DMI Alternatives	33.52	-
	Sale of units of Alternative Investment Fund (Special Opportunities Scheme)	1.89	-

Name of related party	Nature of transactions	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
Mr. Sahib Pahwa	Remuneration	5.59	6.03
	Loan granted	7.79	-
	Options exercised	5.20	-
	Reimbursement of expenses	0.01	-
	Repayment of loan granted	7.79	-
Mrs. Bina Singh	Sitting fee	0.18	0.14
	Reimbursement of expenses	0.13	-
Mr. Yuvraja Chanakya Singh	Remuneration	61.06	42.56
	Post employment benefits	0.36	0.36
Mr. Shivashish Chatterjee	Remuneration	60.70	41.40
	Post employment benefits	0.36	0.36
	Reimbursement of expenses	7.56	-
Mrs. Jayati Chatterjee	Sitting fees	0.24	0.24
Mr. Gurcharan Das	Sitting fees	0.16	0.14
Mr. Nipender Kochhar	Sitting fees	0.26	0.24
	Loan granted	5.21	-
	Interest income on loan	0.02	-
	Warrants exercised	5.21	-
	Repayment of loan granted	5.23	-



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

Mr. Vivek Wadhwa*	Remuneration	11.36	
	Reimbursement of expenses	0.06	
Mr. Krishan Gopal	Remuneration	3.16	10.69
	Loan granted	0.81	-
	Options exercised	0.67	-
	Repayment of loan granted	0.81	-
Quickwork Technologies Private Limited	Other Expenses	10.29	5.81
Ms. Paromita Chatterjee	Consultancy Fee	1.48	1.19
Ms. Shilpi Varshney	Remuneration	1.00	

\*Remuneration does not include post employment benefits

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

Name of related party	Nature of balances	As at	As at
		March 31, 2024	March 31, 2023
DMI Alternatives Private Limited	Employee Stock	6.58	4.10
	Option Plan recoverable		
	Trade Receivable	33.96	26.98
	Investment in equity	-	4.26
DMI Capital Private Limited	Employee Stock	2.52	0.81
	Option Plan recoverable		
	Investment in equity	0.99	1.80
	Investment in compulsorily convertible preference shares	385.56	385.56
DMI Housing Finance Private Limited	Employee Stock	39.66	22.45
	Option Plan payable		
	Corporate Guarantee	-	3,878.97
Ganesh Fixed Income Limited	Borrowings from Non-convertible debentures		134.00
DMI Management Services Private Limited	Investment in equity		0.96
Appnit Technologies Private Limited	Investment in equity	532.03	463.03
	Investment in compulsorily convertible preference shares	21.97	21.97
DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)	Investment in equity	3.58	3.48
	Investment in optionally convertible debentures	752.88	
Ampverse DMI Private Limited	Investment in compulsorily convertible preference shares	131.20	

**(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 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.

42 As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended from time to time), 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, 2024 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, 2024	As at March 31, 2023
CRAR - Tier I capital (%)	43.88%	49.94%
CRAR - Tier II capital (%)	0.88%	0.93%
CRAR (%)	44.76%*	50.87%

\* Reserve Bank of India (RBI) vide circular dated November 16, 2023 on Regulatory measures towards consumer credit and bank credit to NBFCs increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 986 bps on CRAR. On risk weight of 100%, capital adequacy ratio (including Tier-II capital) stood at 54.62% as on March 31, 2024

The CRAR is computed as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended from time to time).

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, 2024 and March 31, 2023.

**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)

Claims against the Company not acknowledged as debt

i. Income tax (note 2)

	As at March 31, 2024	As at March 31, 2023
Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	-	3,878.97
Claims against the Company not acknowledged as debt	-	-
Income tax (note 2)	-	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. Nil as at March 31, 2024 (March 31, 2023: Rs. 3,878.97 million)

2. During the financial year 21-22, the Company had received an assessment order for FY 2016-17 wherein the assessing officer had 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 had appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance resulted into an additional demand of Rs. 2.26 million. The Company has received the order from CIT(A) in its favour and the appeal effect of the order is yet to be provided.

**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, 2024	As at March 31, 2023
Commitments for acquisition of property, plant and equipment (net of advances)	7.17	4.05
Commitments for Intangible assets under development (net of advances)	0.47	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**  
**(All Amount In Rs. In millions, unless otherwise stated)**

**45 Reconciliation of liabilities arising from financing activities**

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
	April 01, 2022	18,552.27	8,965.53	276.36
<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>
<b>Cash flows:</b>				
- Repayment	(19,879.53)	(27,369.22)	(78.65)	(47,327.40)
- Proceeds	11,888.82	62,808.56	-	74,697.38
<b>Non-cash</b>				
- Deferment / amortisation of upfront fees and other charges	14.96	181.43	-	196.39
- Additions during the year	-	-	77.92	77.92
- Others	-	-	23.73	23.73
<b>March 31, 2024</b>	<b>8,862.16</b>	<b>59,509.28</b>	<b>265.29</b>	<b>68,636.73</b>

Note: There is no non cash movement in Investing activities except depreciation of Rs. 49.43 millions (previous year Rs. 43.64 millions) in Property, plant and Equipment.

**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, 2024	March 31, 2023
Balance at the beginning of the year	196.35	234.95
Additions made during the year	77.92	10.27
Amortisation on right of use assets	54.79	48.87
<b>Balance at the end of the year</b>	<b>219.48</b>	<b>196.35</b>

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

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	242.29	276.36
Additions made during the year	77.92	10.27
Interest accretion for the year	23.73	26.33
Payments made during the year	(78.65)	(70.67)
<b>Balance at the end of the year</b>	<b>265.29</b>	<b>242.29</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, 2024	March 31, 2023
Depreciation expense in respect of right-of-use asset	54.79	48.87
Interest expense in respect of lease liabilities	23.73	26.33
Expense relating to short-term leases (included on other expenses)	9.72	10.69
<b>Total amount recognised in profit or loss</b>	<b>88.24</b>	<b>85.89</b>

The Company's total cash outflows for leases was Rs 78.65 Millions during the year (previous year Rs 70.67 Millions)

**Maturity Analysis of Lease Liabilities**

Particulars	March 31, 2024	March 31, 2023
Upto 1 month	5.02	4.27
Over 1 month to 2 month	4.57	4.30
Over 2 months to 3 months	3.75	4.36
Over 3 months to 6 months	10.11	13.47
Over 6 months to 1 year	17.12	28.37
Over 1 year to 3 years	83.74	71.63
Over 3 years and upto 5 years	70.28	79.71
Over 5 years	70.70	36.18
<b>Total</b>	<b>265.29</b>	<b>242.29</b>



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

**47 Tax expenses**

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are :

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	2,226.12	1,520.76
Deferred tax credit	(916.44)	(382.34)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,309.68</b>	<b>1,138.42</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, 2023: 25.17%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	5,476.06	4,378.58
Income-tax rate	25.17%	25.17%
Expected tax expense	1,378.22	1,102.00
Expenditure on Corporate Social Responsibility disallowed u/s 37	9.18	4.09
Interest paid to Associated Enterprise disallowed u/s 94B	2.73	2.87
Reversal of DTA on Interest Paid to Associated Enterprise	-	31.39
Capital Expenditure disallowed u/s 37	5.62	0.63
Difference between accounting income and taxable income on investments	(62.41)	-
Differential Tax Rate on Long term capital gains	(24.07)	-
Others	0.42	(2.56)
<b>Tax expense</b>	<b>1,309.68</b>	<b>1,138.42</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, 2024			As at March 31, 2023		
	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	10,259.51	-	10,259.51	5,628.39	-	5,628.39
Bank balance other than cash and cash equivalents	1,003.78	148.01	1,151.79	421.78	138.32	560.10
Trade receivables	64.57	-	64.57	308.05	-	308.05
Loans	77,308.04	41,119.92	118,427.96	46,041.37	21,289.96	67,331.33
Investments	2,842.87	3,447.44	6,290.31	4,194.09	4,271.05	8,465.14
Other financial assets	1,139.75	31.34	1,171.09	983.85	105.70	1,089.55
<b>Non-financial assets</b>						
Current tax assets (net)	128.56	-	128.56	185.78	-	185.78
Deferred tax assets (net)	-	2,043.48	2,043.48	-	1,127.16	1,127.16
Property, plant and equipment	-	141.04	141.04	-	140.53	140.53
Capital work in progress	4.68	-	4.68	-	-	-
Right to use assets	44.49	174.99	219.48	52.61	143.74	196.35
Intangible assets	-	30.97	30.97	-	21.66	21.66
Intangible assets under development	2.54	-	2.54	-	8.78	8.78
Other non-financial assets	220.83	2.30	223.13	163.42	2.24	165.66
Assets held for sale	75.00	-	75.00	75.00	-	75.00
	<b>93,094.62</b>	<b>47,139.49</b>	<b>140,234.11</b>	<b>58,054.34</b>	<b>27,249.14</b>	<b>85,303.48</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
<b>A) Trade payables</b>						
(i) total outstanding dues of micro and small enterprises	25.33	-	25.33	8.97	-	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises	1,738.41	28.27	1,766.68	1,133.20	-	1,133.20
<b>B) Other payables</b>						
(i) total outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	713.01	17.35	730.36	525.06	-	525.06
Debt securities	1,945.40	6,916.76	8,862.16	15,353.00	1,484.91	16,837.91
Borrowings (other than debt securities)	31,959.05	27,550.23	59,509.28	12,123.90	11,764.61	23,888.51
Lease liabilities	40.57	224.72	265.29	54.77	187.52	242.29
Other financial liabilities	488.74	-	488.74	226.08	57.90	283.98
<b>Non financial liabilities</b>						
Provisions	3.22	128.43	131.65	2.48	93.87	96.35
Other non-financial liabilities	290.63	4.71	295.34	221.33	4.71	226.04
<b>Equity</b>						
Equity share capital	-	7,424.87	7,424.87	-	6,567.75	6,567.75
Other equity	-	60,734.41	60,734.41	-	35,493.42	35,493.42
	<b>37,204.36</b>	<b>103,029.75</b>	<b>140,234.11</b>	<b>29,648.79</b>	<b>55,654.69</b>	<b>85,303.48</b>



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

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

(Amount in Rs. Crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	11,660.75	192.82	11,467.93	46.64	146.18
	Stage 2	395.97	173.98	221.99	1.58	172.40
<b>Subtotal</b>		<b>12,056.72</b>	<b>366.80</b>	<b>11,689.92</b>	<b>48.22</b>	<b>318.58</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	163.58	68.95	94.63	16.36	52.59
Doubtful - up to 1 year	Stage 3	159.05	60.44	98.61	31.81	28.63
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		159.05	60.44	98.61	31.81	28.63
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>322.63</b>	<b>129.39</b>	<b>193.24</b>	<b>48.17</b>	<b>81.22</b>
<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</b>	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	11,660.75	192.82	11,467.93	46.64	146.18
	Stage 2	395.97	173.98	221.99	1.58	172.40
	Stage 3	322.63	129.39	193.24	48.17	81.22
<b>Total</b>	<b>Total</b>	<b>12,379.35</b>	<b>496.19</b>	<b>11,883.16</b>	<b>96.39</b>	<b>399.80</b>

\* This includes credit substitutes of Rs. 807.16 millions



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

**50 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 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, 2024	upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Financial assets</b>									
Cash and cash equivalents	10,259.93	-	-	-	-	-	-	-	10,259.93
Bank balance other than Cash and cash equivalents	2.75	-	245.75	230.08	587.31	160.48	-	-	1,226.37
Trade receivables	24.56	6.06	33.95	-	-	-	-	-	64.57
Loans	11,957.34	11,190.64	10,511.66	26,591.65	35,038.58	45,373.32	3,798.98	1,591.20	146,053.37
Investments	321.75	342.48	357.15	979.10	1,213.71	1,847.79	807.16	1,460.38	7,329.52
Other financial assets	25.84	65.77	349.80	688.95	9.39	0.49	19.93	10.92	1,171.09
<b>Financial liabilities</b>									
Payables	1,028.21	505.62	177.97	731.60	32.35	45.62	-	-	2,522.37
Debt securities	-	-	344.59	230.91	2,049.54	8,021.38	-	-	10,646.42
Borrowings (other than debt securities)	4,225.10	2,256.30	4,069.62	11,469.92	13,874.13	28,517.25	1,651.53	-	66,063.85
Lease liabilities	7.23	6.74	5.86	16.33	28.84	120.91	90.29	82.64	358.86
Other financial liabilities	206.50	-	20.12	8.07	754.05	-	-	-	488.74

March 31, 2023	upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<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





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

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

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

**Analysis of risk concentration**

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

March 31, 2024	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
<b>Financial asset</b>								
Cash and cash equivalents	10,259.51	-	-	-	-	-	-	10,259.51
Bank balance other than cash and cash equivalents	1,351.79	-	-	-	-	-	-	1,351.79
Loans - Corporate*	472.14	-	3,643.56	-	-	-	464.68	4,580.38
Loans - Consumer loans*	-	-	-	793.77	-	113,053.81	-	113,847.58
Trade receivables	43.90	-	-	-	-	-	20.67	64.57
Investments*	1,319.80	-	403.59	-	-	-	4,566.92	6,290.31
Other financial assets	168.39	-	-	-	-	-	1,002.70	1,171.09
<b>Total</b>	<b>13,415.53</b>	<b>-</b>	<b>4,047.15</b>	<b>793.77</b>	<b>-</b>	<b>113,053.81</b>	<b>6,054.97</b>	<b>137,365.23</b>

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*	49.85	-	8,303.82	-	459.17	631.29	-	9,444.13
Loans - Consumer loans*	-	-	-	579.75	-	57,307.45	-	57,887.20
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	248.40	-	-	-	-	-	841.15	1,089.55
<b>Total</b>	<b>7,601.84</b>	<b>-</b>	<b>8,921.85</b>	<b>579.75</b>	<b>3,684.43</b>	<b>58,219.81</b>	<b>4,374.88</b>	<b>83,382.56</b>

\* Net of impairment loss allowance

**(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, 2024	As at March 31, 2023	Primary risk sensitivity
<b>ASSETS</b>			
Financial assets			
Investments (Other than credit substitutes)**	2,213.26	4,412.93	Equity price
Credit substitutes and pass through certificate**	4,480.62	5,169.38	Interest rate
<b>LIABILITIES</b>			
Financial liabilities			
Debt securities	8,862.16	16,837.91	Interest rate
Borrowings (other than debt securities)	59,509.28	23,888.51	Interest rate

\*\*Gross of impairment loss allowance



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

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

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

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

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

**Interest rate risk exposure**

Variable Rate Borrowings  
 Fixed Rate Borrowings

	As at March 31, 2024	As at March 31, 2023
Variable Rate Borrowings	52,994.37	25,373.57
Fixed Rate Borrowings	15,377.07	15,352.85

**Interest rate sensitivity**

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

Particulars	Effect on net profit	
	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Decrease in 50 basis points	171.08	71.54
Increase in 50 basis points	(171.08)	(71.54)

**(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 2024 would have increased equity by Rs. 114.15 millions (Previous year: Rs 330.83 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 2024 would have increased profits by Rs. Nil millions (Previous year: Rs. 22.70 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

**(iii) Foreign Currency risk exposure**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency receivables.

(a) The foreign currency exposures for the year ended are as follows:

Particulars	As at March 31, 2024*		As at March 31, 2023*	
	Total	Unhedged	Total	Unhedged
Trade Receivables (INR - in millions)	1.46	1.46	-	-
Trade Receivables (USD - in millions)	0.02	0.02	-	-

\* Including indirect taxes

Note: There is no hedged foreign currency exposure

**(b) Sensitivity Analysis**

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

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Decrease by 1%	(0.01)	-
Increase by 1%	0.01	-



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

51 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 2024				31 March 2023			
	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>								
Compulsorily convertible preference shares in DMI Capital Private Limited	-	-	385.56	385.56	-	-	385.56	385.56
Equity shares in Azad Engineering Private Limited	-	-	-	-	-	-	227.04	227.04
<b>Total financial investment measured at FVTPL</b>	-	-	<b>385.56</b>	<b>385.56</b>	-	-	<b>612.60</b>	<b>612.60</b>
<i>Financial investments measured at FVOCI</i>								
Credit Substitutes	-	-	213.39	213.39	-	-	537.43	537.43
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	-	-	-	-	1,560.00	1,560.00
Compulsory convertible debentures of Biorad Medisys Private Limited	-	-	-	-	-	-	600.27	600.27
Compulsory convertible preference shares in Saarthi Finbit Private Limited	-	-	160.01	160.01	-	-	-	-
7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited) of face value of Rs 1,00,000 each	-	-	752.88	752.88	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Non-convertible debentures - unquoted	-	-	104.87	104.87	-	-	137.80	137.80
Equity Instruments								
DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	-	-	3.58	3.58	-	-	3.48	3.48
Alchemist Asset Reconstruction Company Limited	-	-	219.24	219.24	-	-	215.76	215.76
Flash Electronics Private Limited	-	-	-	-	-	-	818.97	818.97
Radiant Polymers Private Limited	-	-	-	-	-	-	100.10	100.10
Other Instruments								
Units of DMI AIF Special Opportunities Scheme	-	-	5.80	5.80	-	-	9.73	9.73
<b>Total financial investments measured at FVOCI</b>	-	-	<b>1,459.77</b>	<b>1,459.77</b>	-	-	<b>3,983.54</b>	<b>3,983.54</b>
<b>Total financial assets measured at fair value</b>	-	-	<b>1,845.33</b>	<b>1,845.33</b>	-	-	<b>4,596.14</b>	<b>4,596.14</b>



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

**Valuation techniques**

**Financial instruments measured at FVTPL (other than CCPS)**

The equity instruments which 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, 2024 and March 31, 2023

**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	Total
At April 01, 2022	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	-	-	1,712.15
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	55.87	21.50	99.15	22.5	-	199.02
Sales / settlements	(376.20)	-	(194.11)	(22.54)	(257.16)	(746.71)	(581.32)	-	(2,178.04)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	(199.11)	-	-	-	5.55	5.46	124.38	21.72	(42.00)
Gains / loss for the period recognized in the other comprehensive income	(184.59)	(0.37)	-	(10.14)	-	422.81	-	-	227.71
At March 31, 2023	1,365.35	9.73	-	537.43	137.80	2,160.27	-	385.56	4,596.14
Purchase	45.00	-	-	-	-	-	750.00	160.01	955.01
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	32.28	14.99	108.58	2.88	-	158.73
Sales / settlements	(1,270.55)	(5.23)	-	(356.32)	(47.92)	(2,274.32)	-	-	(3,954.34)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	89.54	-	-	-	-	5.47	-	-	95.01
Gains / loss for the period recognized in the other comprehensive income	(6.52)	1.30	-	-	-	-	-	-	(5.22)
At March 31, 2024	222.82	5.80	-	213.39	104.87	-	752.88	545.57	1,845.33

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



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

**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, 2024	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 Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	3.58	Net Worth of Investee Company	Instrument price
7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited) of face value of Rs 1,00,000 each	752.88	Discounted Cash Flows of Instrument	Discount margin / spread
Compulsorily convertible preference shares in Saarathi Finbiz Private Limited	160.01	Adjusted Backsolve Method	Enterprise value
Equity shares in Alchemist Asset Reconstruction Company Limited	219.24	Discounted Projected Cash Flows	Discount margin / spread
Credit Substitutes	213.39	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	104.87	Discounted Projected Cash Flows	Discount margin / spread
Units of DMI AIF Special Opportunities Scheme	5.80	Assets under management of units of respective class of Investee Fund	Instrument price
<b>Total</b>	<b>1,845.33</b>		

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 Blorad 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 Radlant 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
<b>Total</b>	<b>4,596.14</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**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**Sensitivity of fair value measurements to changes in unobservable market data**

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

Particulars	March 31, 2024		March 31, 2023	
	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)	38.56	(38.56)
Equity shares of Azad Engineering Private Limited	-	-	22.70	(22.70)
<b>Total (A)</b>	<b>38.56</b>	<b>(38.56)</b>	<b>61.26</b>	<b>(61.26)</b>
<b>Instruments measured through FVTOCI</b>				
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	0.36	(0.36)	0.35	(0.35)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.92	(21.92)	21.58	(21.58)
Credit Substitutes	21.34	(21.34)	53.74	(53.74)
Non-convertible debentures - unquoted	10.49	(10.49)	13.78	(13.78)
Compulsory convertible debentures of Biorad Medisys Private Limited	-	-	60.03	(60.03)
Equity shares in Flash Electronics Private Limited	-	-	81.90	(81.90)
Compulsory convertible debentures of Flash Electronics Private Limited	-	-	156.00	(156.00)
Equity shares in Radiant Polymers	-	-	10.01	(10.01)
Units of DMI AIF Special Opportunities Scheme	0.58	(0.58)	0.97	(0.97)
Compulsorily convertible preference shares in Saarthi Finbiz Private Limited	16.00	(16.00)	-	-
Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	75.29	(75.29)	-	-
<b>Total (B)</b>	<b>145.98</b>	<b>(145.98)</b>	<b>398.36</b>	<b>(398.36)</b>
<b>Total (A+B)</b>	<b>184.54</b>	<b>(184.54)</b>	<b>459.62</b>	<b>(459.62)</b>

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

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

**Investments - At amortised cost**

These includes Credit substitutes, corporate loans, pass through certificates. 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**  
**Notes to the standalone financial statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

52 Disclosures in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

(A) 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 as on 31st March 2024	Type of facility	At the beginning of year	Change during Year	Remarks
ICRA Ratings	90.53	[ICRA]AAA(SO)	PTC Series A1 (PLUM-I)	[ICRA]AA(SO)	[ICRA]AAA(SO)	Rating upgraded from [ICRA]AA(SO) to [ICRA]AAA (SO) on November 27, 2023
ICRA Ratings	77.27	[ICRA]AAA(SO)	PTC Series A1 (PLUM-II)	[ICRA]AA(SO)	[ICRA]AAA(SO)	Rating upgraded from [ICRA]AA(SO) to [ICRA]AAA (SO) on November 27, 2023
ICRA Ratings	149.12	[ICRA]AAA(SO)	PTC Series A1 (PLUM-III)	[ICRA]AA(SO)	[ICRA]AAA(SO)	[ICRA]AA(SO) Provisional rating confirmed as final on April 27, 2023 Rating upgraded from [ICRA]AA(SO) to [ICRA]AAA (SO) on February 22, 2024
ICRA Ratings	83.00	[ICRA]AA(SO)	PTC Series A1 (PLUM24-1)	[ICRA]AA(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA(SO); Assigned on June 05, 2023 [ICRA]AA(SO) Provisional rating confirmed as final on August 08, 2023
ICRA Ratings	64.91	[ICRA]AA(SO)	PTC Series A1 (PLUM24-2)	[ICRA]AA(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA(SO); Assigned on June 30, 2023 [ICRA]AA(SO) Provisional rating confirmed as final on July 07, 2023
ICRA Ratings	150.45	[ICRA]AA(SO)	PTC Series A1 (PLUM24-3)	[ICRA]AA(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA(SO); Assigned on August 21, 2023 [ICRA]AA(SO) Provisional rating confirmed as final on October 12, 2023
ICRA Ratings	127.24	[ICRA]AA(SO)	PTC Series A1 (PLUM24-4)	[ICRA]AA(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA(SO); Assigned on October 03, 2023 [ICRA]AA(SO) Provisional rating confirmed as final on December 07, 2023
ICRA Ratings	97.76	[ICRA]AA(SO)	PTC Series A1 (PLUM24-5)	[ICRA]AA(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA(SO); Assigned on November 04, 2023 [ICRA]AA(SO) Provisional rating confirmed as final on December 29, 2023
ICRA Ratings	51.43	[ICRA]AA+(SO)	PTC Series A1 (PLUM24-6)	[ICRA]AA+(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA+(SO); Assigned on January 02, 2024 [ICRA]AA+(SO) Provisional rating confirmed as final on January 04, 2024
ICRA Ratings	186.28	[ICRA]AA(SO)	PTC Series A1 (PLUM24-7)	[ICRA]AA(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA(SO); Assigned on February 01, 2024 [ICRA]AA(SO) Provisional rating confirmed as final on February 05, 2024
ICRA Ratings	48.33	[ICRA]AA+(SO)	PTC Series A1 (PLUM24-10)	[ICRA]AA+(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA+(SO); Assigned on March 31, 2024
ICRA Ratings	104.07	[ICRA]AA+(SO)	PTC Series A1 (PLUM24-11)	[ICRA]AA+(SO)	Newly Assigned	New Rating of Provisional [ICRA]AA+(SO); Assigned on March 31, 2024
CARE Ratings	285.00	NA	Long-term bank facilities	CARE AA-, Stable	Withdrawn	Withdrawn on 15 December 2023.
CARE Ratings	50.00	NA	Non-convertible debentures	CARE AA-, Stable	Withdrawn	Withdrawn on 15 December 2023.
ICRA Ratings	150.00	PP-MLD[ICRA]AA (Stable)	Long-term Market Linked Debentures	[ICRA]AA- (Stable)	Rating upgrade & Rating Withdrawn	Rated amount reduced from Rs. 200 Crores to Rs. 150 Crores on 29 September 2023. Rs. 50 Crores withdrawn in MLD. Ratings upgrade to PP-MLD[ICRA]AA (Stable) from PP-MLD[ICRA]AA (Stable) on 29 September 2023. Ratings reaffirmed on 17 November 2023 Ratings reaffirmed on 8 January 2024 Ratings reaffirmed on 6 March 2024 Ratings reaffirmed on 21 March 2024.
ICRA Ratings	600.00	[ICRA]A1+	Commercial paper	[ICRA]A1+	Rating enhancement	Ratings reaffirmed to [ICRA]A1+ on 29 September 2023. Rating amount enhanced from Rs. 300 Crores to Rs. 600 Crores for Commercial Paper on 17 November 2023. Ratings reaffirmed on 8 January 2024 Ratings reaffirmed on 6 March 2024 Ratings reaffirmed on 21 March 2024.



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

ICRA Ratings	5,962.00	[ICRA]AA (Stable)	Long-term fund-based Term Loan/ Cash Credit / Non Fund based others	[ICRA]AA- (Stable)	Rating upgrade & Rating enhancement	Ratings upgrade to [ICRA]AA (Stable) from [ICRA]AA- (Stable) on 29 September 2023. Rating amount enhanced from Rs. 3962 Crores to Rs.5962 Crores on 17 November 2023. Ratings reaffirmed on 8 January 2024. Ratings reaffirmed on 6 March 2024. Ratings reaffirmed on 21 March 2024.
ICRA Ratings	835.00	[ICRA]AA (Stable)	Non-convertible debentures	[ICRA]AA- (Stable)	Rating upgrade & Rating enhancement	Ratings upgrade to [ICRA]AA (Stable) from [ICRA]AA- (Stable) on 29 September 2023. Rating amount enhanced from Rs. 100 Crores to Rs. 400 Crores for non convertible debentures on 17 November 2023. Ratings reaffirmed on 8 January 2024. Rating amount enhanced from Rs. 400 Crores to Rs. 715 Crores for non convertible debentures on 6 March 2024. Rating amount enhanced from Rs. 715 Crores to Rs. 835 Crores for non convertible debentures on 21 March 2024.
ICRA Ratings	97.88	NA	PTC Series A (MOST-I)	[ICRA]AAA(SD)	Withdrawn	Withdrawn on 19 July 2023.
Brickwork Ratings	50.00	NA	Non-convertible debentures	BWR AA-(Stable)	Withdrawn	Withdrawn on 04 August 2023.

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

The following penalties were imposed on the company during financial year 2023-24:

- 1) A Late Submission Fee (LSF) of Rs. 9,000 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on April 21, 2023.
- 2) A Late Submission Fee (LSF) of Rs. 15,700 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on November 3, 2023.
- 3) A Late Submission Fee (LSF) of Rs. 8,500 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on February 16, 2024.
- 4) A Late Submission Fee (LSF) of Rs. 10,300 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on March 12, 2024.
- 5) A Late Submission Fee (LSF) of Rs. 10,300 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on March 21, 2024.

**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 does not have any overseas subsidiaries. Further, the Company has entered into a Joint Venture with Ampverse DMI Private Limited during the FY 23-24.

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

Particulars	Numerator	Denominator	March 31, 2024		March 31, 2023	
i) CRAR (%)	Adjusted Tier I and Tier II	Risk weighted assets	44.76%		50.87%	
ii) CRAR- Tier I capital (%)	Adjusted Tier I Capital	Risk weighted assets	43.88%		49.94%	
iii) CRAR- Tier II capital (%)	Adjusted Tier II Capital	Risk weighted assets	0.88%		0.93%	
iv) Amount of subordinated debt raised as Tier-II capital						
v) Amount raised by issue of Perpetual Debt Instruments						

**Basis of Ratios**

	Year ended 31 March 2024	Year ended 31 March 2023
a. Adjusted Tier I Capital	6,476.44	3,899.74
b. Adjusted Tier II Capital	130.50	72.29
<b>Total Capital</b>	<b>6,606.94</b>	<b>3,972.03</b>
c. Risk weighted assets	14,760.35	7,808.70

**ii) Investments**

Particulars	(Amount in Rs. crores)	
	March 31, 2024	March 31, 2023
<b>1) Value of Investments *</b>		
i) Gross Value of Investments *		
a) In India	660.39	958.23
b) Outside India	-	-
ii) Provisions for Depreciation**		
a) In India	40.36	111.72
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	629.03	846.51
b) Outside India	-	-
<b>2) Movement of provisions held towards depreciation on investments.</b>		
i) Opening Balance	111.72	151.32
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / write-back of excess provisions during the year	(71.36)	(39.60)
iv) Closing Balance	40.36	111.72

\*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 2023-24 and FY 2022-23, 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 has no dealings in exchange traded interest rate derivatives during the FY 2023-24 and FY 2022-23, 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.





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

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

Maturity Pattern of Assets and Liabilities as on March 31, 2024

(Amount in Rs. crores)

Particulars	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*	-	-	29.95	30.57	29.64	86.99	107.13	158.35	-	146.04	588.67
Borrowings <sup>#</sup>	8.52	269.98	121.48	181.30	389.60	1,042.78	1,376.78	3,314.95	131.75	-	6,837.14
Advances*	972.44	2.30	44.30	950.15	894.79	2,233.21	2,887.50	3,819.59	415.95	159.12	12,379.35
-Corporate	-	-	12.83	0.57	17.01	13.07	124.20	115.11	187.47	159.05	629.31
-Consumer	972.44	2.30	31.47	949.58	877.78	2,220.14	2,763.30	3,704.48	228.48	0.07	11,750.04
Other financial assets	0.08	0.01	2.50	6.58	34.98	68.89	0.94	0.05	1.99	1.09	117.11

\* Investments do not include Credit Substitutes, same have been considered as Advances. Advances are gross of impairment loss allowance.

# Borrowings includes debt securities.

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

(Amount in Rs. crores)

Particulars	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 <sup>#</sup>	27.78	119.99	157.43	50.94	189.78	236.45	1,965.33	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	57.61	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

\* Investments do not include Credit Substitutes, same have been considered as Advances. Advances are gross of impairment loss allowance.

# Borrowings includes debt securities.

V) Instances of fraud

(Amount in Rs. crores)

Nature of fraud	March 31, 2024				March 31, 2023			
	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	119*	1.67	0.10	1.16	116*	2.03	1.95	1.93
Fraud by external party	-	-	-	-	-	-	-	-
Fraud Committed by Customer	-	-	-	-	-	-	-	-

\* All the frauds reported during the financial year ended March 31, 2024 and March 31, 2023 are fraud committed by external party and reported to RBI upto March 31, 2024 and March 31, 2023 respectively.

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



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

**VI) Exposures**  
**A Exposure to Real Estate Sector**

Category	(Amount in Rs. crores)	
	March 31, 2024	March 31, 2023
<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	49.38	54.45
<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	529.62	1,128.29
<b>ii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -</b>		
Residential	-	-
Commercial Real Estate	-	-
<b>b) Indirect Exposure</b>		
*This includes corporate guarantee given to DMI Housing Finance Pvt Ltd	-	387.90
<b>Total Exposure to Real Estate Sector *</b>	<b>579.00</b>	<b>1,570.64</b>
*Includes exposure to sub-standards assets as well		

**B Exposure to Capital Market\*\***

Category		
<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>	220.75	441.29
<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>	4.23	154.31
<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	0.58	0.97
(iii) Category III	-	-
<b>Total Exposure to Capital Market</b>	<b>225.56</b>	<b>596.57</b>

\*\*At carrying value

**C Details of financing of parent company products**

The Company has not financed any parent company product during the current year and previous year

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

The Company has not exceeded any single or group borrower limits during the FY 2023-24 and FY 2022-23 as per prescribed RBI guidelines therefore no details are being provided

**E Unsecured Advances**

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

**Additional Disclosures**

**VII) Provisions and contingencies**

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

Provisions for depreciation on Investment\*

Provision towards NPA

Provision made towards Income tax

Provision made towards deferred tax

Other provision and contingencies

Provision for gratuity

Provision for compensated absences

Provision for Standard Assets

# Investments include credit substitutes

Figures in brackets represent amounts credited to Statement of Profit and Loss

(Amount in Rs. crores)

March 31, 2024      March 31, 2023

(71.36)	(39.60)
(36.28)	54.26
222.61	152.08
(91.64)	(32.36)
1.65	1.34
2.93	2.18
95.95	386.56

**VIII) Draw Down from Reserves**

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



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

	(Amount in Rs. crores)	
	March 31, 2024	March 31, 2023
<b>IX) Concentration of Deposits, Advances, Exposures and NPAs</b>		
Concentration of Deposits	-	-
Concentration of Advances <sup>a</sup>	-	-
Total Advances to twenty largest borrowers	636.80	1,266.15
Percentage of Advances to twenty largest borrowers to Total Advances	5.03%	16.86%
Concentration of Exposures <sup>b</sup>		
Total Exposure to twenty largest borrowers / customers	636.80	1,266.15
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the borrowers / customers	5.03%	16.86%
Concentration of NPAs <sup>a*</sup>		
Total Exposure to top four NPA accounts	289.14	232.79
<sup>a*</sup> Represent Stage III loans including interest		
<sup>a</sup> considered gross of unamortised income		
<b>X) Movement of NPAs</b>		
Net NPAs to Net Advances (%) <sup>c</sup>	1.58%	1.50%
Movement of NPAs (Gross)		
Opening balance	270.63	119.62
Additions during the year	153.08	167.72
Reductions during the year	101.08	16.71
Closing balance	322.63	270.63
Movement of Net NPAs		
Opening balance	110.13	16.60
Additions during the year	82.30	(216.66)
Reductions during the year	(0.81)	(910.20)
Closing balance	193.24	110.13
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	160.50	103.02
Provisions made during the year	70.78	384.38
Write-off / write-back of excess provisions	101.89	326.91
Closing balance	129.39	160.50
<sup>c</sup> Net Advances are taken net of provisions against Stage 3 assets		
<b>XI) 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) Off-Balance sheet SPVs sponsored</b>		
The Company does not have any Off-Balance sheet SPV, therefore no details to be reported		
<b>XIII) Disclosure of Gold Loan Portfolio</b>		
Total Gold Loan Portfolio	-	-
Total Assets	-	-
Gold loan portfolio as % of Total Assets	-	-
<b>XIV) Disclosure of Gold Auction</b>		
Number of loan accounts	-	-
Outstanding Amount	-	-
Value fetched on auctions	-	-
<b>XV) Details of Off balance sheet exposure</b>		
Refer note 44 for details of contingent liabilities and commitments		
<b>XVI) Loan accounts past due 90 days and not treated as impaired</b>		
Number of loan accounts	-	-
Loan outstanding	-	-
Overdue Amount	-	-



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

XVII] Schedule to the Balance Sheet  
As required in terms of Master Direction - Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulations) Directions, 2023

(Amount in Rs. crores)			
S.No	Particulars Liabilities side	Amount Outstanding (March 31, 2024)	Amount Overdue
1	<b>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>		
	a Debentures : Secured	423.89	-
	Debentures : Unsecured (other than falling within the meaning of public deposits)	466.01	-
	b Deferred Credits	-	-
	c Term Loans	5,256.80	-
	d Inter corporate loans and borrowings	-	-
	e Commercial Paper	24.54	-
	f Public Deposit	-	-
	g Other loans (lease liability, Cash credit & Securitization)	741.31	-
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>		
	a In the form of Unsecured debentures	-	-
	b In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c Other public deposits	-	-
	<b>Assets side</b>	<b>Amount Outstanding (March 31, 2024)</b>	
3	<b>Break-up of Loans and Advances including bills receivables (net) *</b>		
	a Secured	3,416.00	
	b Unsecured	8,426.80	
4	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing</b>		
	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	<b>Break up of Investments</b>		
	<b>Current Investments</b>		
	1 Quoted		
	(i) Shares		
	(A) Equity	-	-
	(B) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Please specify)	-	-
	2 Unquoted		
	(i) Shares		
	(A) Equity	-	-
	(B) Preference	-	-
	(ii) Debentures and Bonds	0.29	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others - Units of Alternative Investment Fund and investment in pass through certificate	284.00	-



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

Assets side	Amount Outstanding (March 31, 2024)
<b>Long Term Investments</b>	
<b>1 Quoted</b>	
(i) Shares	
(A) Equity	-
(B) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
<b>2 Unquoted</b>	
(i) Shares	
(A) Equity	75.58
(B) Preference	69.87
(ii) Debentures and Bonds	115.36
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others - Units of Alternative Investment Fund and investment in pass through certificate	83.93

**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	3,416.00	8,426.80	11,842.80
<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	94.06	94.06
b Companies in the same group	88.77	88.77
c Other related parties	-	-
Other than related parties	446.21	446.21
<b>Total</b>	629.03	629.03

**8 Other information**

Particulars	Amount
<b>Gross Non Performing Assets</b>	
a. Related parties	-
b. Other than related parties	322.63
<b>Net Non Performing Assets</b>	
a. Related parties	-
b. Other than related parties	193.23

\* Net of Impairment loss allowance

# Book value is carrying value as per IND AS



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

**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 March 31, 2024	As on March 31, 2023
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)	12	4
2	Total amount of securitised assets as per books of the SPEs	898.85	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	108.26	52.28
	(ii) Others	130.87	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 Gain/loss on sale on account of securitisation	1,230.39	555.02
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	108.96	-
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**

- 1 Directors and their relatives
- 2 Entities associated with directors and their relatives
- 3 Senior Officers (including KMP) and their relatives

(Amount in Rs. crores)  
March 31, 2024    March 31, 2023

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

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

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



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

(XXIII) Related party disclosure

(as required by the NBFCs Master Direction – Reserve Bank of India (Non Banking Financial Company – Scale Based Regulation) Directions, 2023)

Transactions with related parties, amount outstanding at the year end and the maximum during the year:

		Parent (as per ownership or control)		Subsidiaries		Associate/Joint venture		Directors		Relatives of directors		Key management personnel		Relatives of key management personnel		Others		Total	
S No.	Item/related party	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
(a)	Transactions during the year:																		
1	Advances given	-	-	-	-	-	-	0.52	-	-	-	0.86	-	-	-	17.00	-	18.38	-
2	Repayment of advances given	-	-	-	-	-	-	0.52	-	-	-	0.86	-	-	-	17.00	-	18.38	-
3	Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.40	-	13.40	-
4	Purchase of investment	-	-	6.90	-	13.12	-	-	-	-	-	-	-	-	-	75.29	-	95.31	-
5	Sale of investment	-	-	-	-	0.15	-	-	-	-	-	-	-	-	-	7.54	-	7.69	-
6	Interest expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.08	1.14	1.08	1.14
7	Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41	-	0.41	-
8	Others:																		
	Cost share recovery	-	-	2.64	1.45	4.42	8.82	-	-	-	-	-	-	-	-	3.83	6.31	10.89	16.56
	Share based payment	-	-	0.17	0.08	0.25	0.09	-	-	-	-	-	-	-	-	1.72	1.25	2.14	1.43
	Dividend income	-	-	1.60	-	-	-	-	-	-	-	-	-	-	-	-	-	1.60	-
	Other expenses	-	-	8.02	1.32	3.87	-	-	-	-	-	-	-	-	-	1.12	0.54	13.00	1.90
	Remuneration	-	-	-	-	-	-	12.18	8.40	-	-	2.11	1.62	-	-	-	-	14.29	10.02
	Professional fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.40	1.13	0.40	1.13
9	Others	-	-	-	0.17	0.23	0.13	1.45	0.15	0.16	0.12	0.59	-	-	0.15	0.44	-	2.59	3.02
	Total	-	-	19.32	3.02	22.03	9.04	13.51	8.54	0.16	0.12	2.71	1.57	-	-	91.55	10.84	199.55	31.24
(b)	Balances outstanding at year end:																		
1	Investments	-	-	9.06	37.33	13.12	0.43	-	-	-	-	-	-	-	-	75.65	0.35	182.82	88.11
2	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.40	-	13.40
3	Corporate Guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	387.90	-	387.90
4	Others	-	-	0.25	0.08	-	1.11	-	-	-	-	-	-	-	-	8.10	2.25	8.35	5.43
	Total	-	-	94.31	87.41	13.12	1.53	-	-	-	-	-	-	-	-	83.75	403.89	191.17	494.84
(c)	Maximum balance outstanding during the year:																		
1	Investments	-	-	94.15	87.33	13.55	0.43	-	-	-	-	-	-	-	-	75.65	0.35	183.34	88.11
2	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.56	13.67	13.66	13.67
3	Advances	-	-	-	-	-	-	0.52	-	-	-	0.86	-	-	-	17.00	-	18.38	-
	Total	-	-	94.15	87.33	13.55	0.43	0.52	-	-	-	0.86	-	-	-	106.11	14.02	215.39	101.78



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

**XXIV) Sectoral Exposure**

S.No	Sectors	As at March 31, 2024			As at March 31, 2023		
		Total Exposure (Rs. crore)*	Gross NPAs (Rs. crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (Rs. crore)*	Gross NPAs (Rs. crore)	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry						
	(i) Real Estate	529.62	239.77	45.27%	1,128.23	254.26	22.54%
	(ii) Manufacturing and Services	-	-	-	391.02	-	-
	(iii) Micro small and medium enterprises	79.92	0.23	0.29%	58.15	0.17	0.30%
	(iv) Others	52.24	52.24	100.00%	75.03	5.00	6.66%
	<b>Total of Industry</b>	<b>661.78</b>	<b>292.24</b>	<b>44.16%</b>	<b>1,652.43</b>	<b>259.43</b>	<b>15.70%</b>
3	Services						
	(I) Financial Services	47.44	-	-	5.04	-	-
	(II) Others	-	-	-	-	-	-
	<b>Total of Services</b>	<b>47.44</b>	<b>-</b>	<b>-</b>	<b>5.04</b>	<b>-</b>	<b>-</b>
4	Personal Loans						
	(I) Consumer durables and credit lines	4,249.17	6.59	0.16%	2,781.78	2.69	0.10%
	(ii) Other personal loans	7,420.95	23.80	0.32%	3,071.47	8.51	0.28%
	<b>Total of Personal Loans</b>	<b>11,670.13</b>	<b>30.39</b>	<b>0.26%</b>	<b>5,853.25</b>	<b>11.20</b>	<b>0.19%</b>
5	Others	-	-	-	-	-	-
	<b>Grand Total (1+2+3+4+5)</b>	<b>12,379.35</b>	<b>322.63</b>	<b>2.61%</b>	<b>7,510.72</b>	<b>270.63</b>	<b>3.60%</b>

\* Total exposure includes investment in credit substitutes.





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

(XXV) Disclosure of complaints

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

S.no	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A.	Complaints received by the NBFC from its customers		
i.	Number of complaints pending at beginning of the year	73	3
ii.	Number of complaints received during the year	8,637	7,794
iii.	Number of complaints disposed during the year	8,665	7,724
	Of which, number of complaints rejected by the NBFC		
iv.	Number of complaints pending at the end of the year	45	73
B.	Maintainable complaints received by the NBFC from Office of Ombudsman		
i.	Number of maintainable complaints received by the NBFC from Office of Ombudsman	954	571
	Of (i), number of complaints resolved in favour of the NBFC by Office of Ombudsman	954	571
	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, 2024</b>						
i.	Incorrect CIBIL updated	4	781	(52.09%)	8	-
ii.	Charged extra fee	40	3,395	64.33%	15	-
iii.	Payment not updated	24	3,686	2.62%	2	-
iv.	Bounce charges related	2	39	(45.83%)	-	-
v.	Collection related	3	495	68.37%	17	-
vi.	Other complaints	-	241	72.14%	3	-
		73	8,637		45	-
<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%)	-	-
		3	7,794		73	-

(XXVI) Unhedged foreign currency exposure

For the details of unhedged foreign currency exposure, refer Note 50 (C)(iii)

(XXVII) Divergence in asset classification and provisioning

- (i) Additional provisioning assessed by RBI, exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period
- (ii) Additional Gross NPA Identified by RBI exceeds 5 percent of the Gross NPA for the reference period

There is no divergence assessed by RBI in asset classification and provisioning.

Year ended March 31, 2024	Year ended March 31, 2023
-	-
-	-

(XXVIII) Intra Group Exposure\*

- i) Total amount of intra-group exposures
- ii) Total amount of top 20 intra-group exposures
- iii) Percentage of Intra-group exposures to total exposure of the NBFC on borrowers/customers
- \*Comprises of optionally convertible debentures only

(Amount in Rs. crores)	
As at March 31, 2024	As at March 31, 2024
75.29	-
75.29	-
0.59%	-



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

53 Additional disclosures pursuant to Annex III of Norms on Restructuring of Advances by NBFCs Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended from time to time)-

S.No.	Type of Restructuring Asset Classification Details	Others				(Amount in Rs. crores) Total			
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss
1	Restructured Accounts as on April 01,2023	No. of Borrowers	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	1	-	-	1	-	-	-
		Amount Outstanding	2.86	-	-	2.86	-	-	-
		Provision thereon	0.08	-	-	0.08	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	(1)	1	-	(1)	1	-	-
		Amount Outstanding	(2.86)	2.86	-	(2.86)	2.86	-	-
		Provision thereon	(0.08)	0.29	-	(0.08)	0.29	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31,2024	No. of Borrowers	-	1	-	-	1	-	-
		Amount Outstanding	-	2.86	-	-	2.86	-	-
		Provision thereon	-	0.29	-	-	0.29	-	-

- 1) The outstanding amount and number of borrowers as at March 31, 2024 is after considering recoveries made during the year.
- 2) CDR restructuring segment and SME Debt Restructuring Mechanism is Nil.



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

54 Pursuant to RBI circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (as amended from time to time), Liquidity credit risk (LCR) disclosures are presented as below:

**(i) Main LCR drivers and evolution of the contribution of inputs in LCR calculation over time**

The numerator of Liquidity Coverage Ratio (LCR) is driven by the quantum and composition of High Quality Liquid Assets (HQLA). The denominator of Liquidity Coverage Ratio (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 (except pledged)

**(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 & Cash credit 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 825% for the quarter ended June 30, 2023 to 226% for the quarter ended March 31, 2024.

**(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)**

**A. Liquidity coverage ratio**

	As at June 30, 2023		As at September 30, 2023		As at December 31, 2023		(Amount in Rs. crores) As at March 31, 2024	
	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)
High Quality Liquid Assets (HQLAs)	711.40	711.40	456.24	456.24	574.04	574.04	597.22	597.22
Cash Outflows								
Deposits (for deposit taking companies)								
Unsecured wholesale funding	85.79	98.66	7.13	8.20	16.77	19.29	304.04	349.65
Secured wholesale funding	140.86	161.99	191.91	220.70	354.49	407.66	472.64	543.54
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	73.33	84.33	124.00	142.60	157.46	181.08	141.46	162.68
Other contingent funding obligations								
<b>TOTAL CASH OUTFLOWS</b>	<b>299.98</b>	<b>344.98</b>	<b>323.04</b>	<b>371.50</b>	<b>528.72</b>	<b>608.03</b>	<b>918.14</b>	<b>1,055.87</b>
Cash Inflows								
Secured lending	126.40	94.80	31.54	23.66	34.68	26.01	24.22	18.17
Inflows from fully performing exposures	1,014.83	761.12	1,132.36	849.27	1,220.55	915.41	1,225.01	918.76
Other cash inflows	10.29	7.72	11.84	8.88	1.26	0.95	0.04	0.03
<b>TOTAL CASH INFLOWS</b>	<b>1,151.52</b>	<b>863.64</b>	<b>1,175.74</b>	<b>881.81</b>	<b>1,256.49</b>	<b>942.37</b>	<b>1,249.27</b>	<b>936.96</b>
Total HQLA		711.40		456.24		574.04		597.22
Total net cash outflows		86.25		92.88		152.01		263.97
Liquidity coverage ratio (%)		825%		491%		378%		226%

**Notes:**

- 1 The components of LCR is arrived at by taking a stock approach whereby from the month end outstanding of each component (as financial records), the portion expected to be paid in the next 30 days is considered
- 2 The Average LCR is computed as simple averages of daily observations over the previous quarter.
- 3 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, 2024 pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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

(Amount in Rs. crores)			
Number of significant counterparties	Number of counterparties	Amount*	% of Total deposits / % of Total liabilities
As at 31 March 2024	20	6,369.49	88.37%
As at 31 March 2023	15	3,928.68	90.81%

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

\*Above mentioned amount includes borrowing through PTC amounting to Rs 703.49 Cr (previous year 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 NDFC.

**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 2024	4,883.75	70.92%
As at 31 March 2023	3,655.29	89.13%

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

\*Above mentioned amount includes borrowing through PTC amounting to Rs 703.49 Cr (previous year 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	As at March 31, 2024		As at March 31, 2023	
	Amount*	% of Total liabilities	Amount*	% of Total liabilities
Debentures	889.90	12.35%	1,704.64	39.42%
Term loans	5,256.80	72.94%	2,055.57	47.54%
PTC borrowings	703.49	9.76%	291.20	6.73%
Cash Credit	11.29	0.16%	49.63	1.15%
<b>Total</b>	<b>6,861.48</b>	<b>95.20%</b>	<b>4,101.04</b>	<b>94.84%</b>

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

**v) Stock ratios:**

Particulars	As at March 31, 2024				As at March 31, 2023			
	Amount	% of Total public funds	% of Total liabilities	% of Total assets	Amount	% of Total public funds	% of Total liabilities	% of Total assets
Commercial papers	24.54	0.36%	0.34%	0.17%	-	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-	-	-
Other short-term liabilities	3,695.90	53.67%	51.28%	26.36%	2,964.88	72.30%	68.56%	34.76%

Total public funds (refer note 3 below)\*

Total liabilities

Total assets

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

**Notes**

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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

3) 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 – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

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

Refer note 50(A): Risk management structure and 50(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	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A) March 31, 2023	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	(Amount in Rs. crores)	
					Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year March 31, 2024	
Personal loans						
Of which MSMEs	0.31		0.02	0.19		0.11
Others	13.99	0.32	2.71	6.96		4.00
<b>Corporate Persons*</b>						
<b>Total</b>	<b>14.31</b>	<b>0.32</b>	<b>2.73</b>	<b>7.15</b>		<b>4.11</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/DDR/2021-22 DOR.STR.REC.S1/21.04.048/2021-22 dated September 24, 2021:

A. Details of stressed loans transferred during the year ended March 31, 2024

Particulars		To ARCs		To permitted transferees	
i. No. of accounts	No's				265,180
ii. Aggregate principal outstanding of loans transferred	Rs crores				384.25
iii. Weighted average residual tenor of the loans transferred					NA
iv. Net book value of loans transferred (at the time of transfer)	Rs crores				
v. Aggregate consideration	Rs crores				11.53
vi. Additional consideration realized in respect of accounts transferred in earlier years					NA

B. Details of loans acquired during the year

Particulars		From lenders*		From ARCs	
i. No. of accounts	No's	3,495			
ii. Aggregate principal outstanding of loans acquired	Rs crores	3.09			
iii. Aggregate consideration paid	Rs crores	2.74			
iv. Weighted average residual tenor of loans acquired	In months	8 months			
v. Retention of beneficial economic interest by the originator	%	10%			
vi. Coverage of tangible security					
vii. Rating wise distribution of rated loans					
viii. Mode of acquisition of pool			NA		
			Assignment		

\* Lenders listed in clause 3 of the Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 in terms of RBI circular RBI/DDR/2021-22 DOR.STR.REC.S1/21.04.048/2021-22 dated September 24, 2021

56 Disclosure on significant ratios:

Particulars	Description	As at	
		March 31, 2024	March 31, 2023
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities)) / Total equity]	1.00	0.97
Net profit margin	Net profit after tax / total revenue from operations	15.74%	19.79%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities)) / Total assets]	48.76%	47.74%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	2.61%	3.60%
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)	1.58%	1.50%
Asset cover ratio (number of times)*	Amount of secured assets / Secured debt	1.25	1.28
Provision coverage ratio (%)	(Impairment loss allowance for Stage III / Gross Stage III loans EAD)	40.11%	59.31%

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



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

**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, 2024 are mentioned in Note 52 (A)(iii)
- 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, 2024 and March 31, 2023.
- 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, 2024 and March 31, 2023.
- 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, 2024 and March 31, 2023.



**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 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 In reference to point 2(h)(vi) of the standalone independent auditors report for the year ended March 31,2024 , the Company uses Navision software for maintenance of accounting data. Management, in view to process large quantum of data on a daily basis, has disabled transaction dally logs in the accounting software to comply with timely reporting. Navision has inherent feature that entry once posted cannot be edited/deleted.
- 63 The financial statements were approved for issue by Board of Directors on May 16 , 2024.

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

For and on behalf of the Board of Directors of  
DMI Finance Private Limited  
CIN: U64990DL2008PTC182749

*Manish*  
Manish Surana  
Partner  
Membership No. 503812



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

Place: New York  
Date: May 16,2024

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

Place: New Delhi  
Date: May 16,2024

*J.P. Bhasin*  
Jatinder Pal Singh Bhasin  
(Interim Chief Financial Officer)

Place: New Delhi  
Date: May 16,2024



Place: Gurugram  
Date: May 16,2024



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

**Chartered Accountants**

108 Mercantile House,  
15, Kasturba Gandhi Marg,  
New Delhi 110001, India  
Tel: +91 11 4368 4444

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **DMI FINANCE PRIVATE LIMITED** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint venture, which comprise the consolidated Balance Sheet as at 31 March, 2024, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, and joint venture referred to in the Other Matters section below, the aforesaid consolidated 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 their consolidated state of affairs of the Group, its associate and joint venture as at 31 March 2024, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 and the audit evidence obtained by other auditors in terms of their reports referred to in sub-para (a) and (b) of the Other Matters paragraph below 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.:

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 Holding 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 its 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 behavioural 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 Holding Company 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 Holding 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 Holding 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 consolidated financial statements in respect of expected credit losses.</p>



<b>(b) IT and 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 Holding Company.</p> <p>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>	<p>We tested the design and operating effectiveness of the Holding 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> <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 Holding 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 Consolidated Financial Statements and Auditor's Report Thereon**

- The Holding 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 Consolidated 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 Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read information included in annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors Responsibilities relating to other information'.



## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of, its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, its associate and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,



in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- a) We did not audit the Financial Statements of two subsidiaries whose Financial Statements reflects total assets(before consolidation adjustment) of Rs.896.25 millions as at 31 March 2024, total revenue (before consolidation adjustment) of Rs. 223.93 millions for the year ended 31 March 2024, net loss after tax (before consolidation adjustment) of Rs. 69.45 millions for the year ended 31 March 2024 and total comprehensive loss (before consolidation adjustment) of Rs. 68.85 millions for the year ended 31 March 2024 and net cash inflows (before consolidation adjustment) of Rs. 267.67 millions for the year ended 31 March 2024, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss after tax of Rs.36.45 millions for the year ended 31 March 2024 and total comprehensive loss of Rs. 36.45 millions for the year ended 31 March 2024 respectively, as considered in the Consolidated Financial Statements, in respect of one joint venture. These financial statements have been audited by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated Auditor's Responsibility section above.
- b) We did not audit the Financial Statements of one of the subsidiary, whose Financial Statements reflects total assets of Rs. Nil as at 31 March 2024, total revenue of Rs. Nil for the year ended 31 March 2024, loss after tax of Rs. 0.26 millions (up to the date of transfer) for the year ended 31 March 2024 and total comprehensive loss of Rs. 0.26 millions (up to the date of transfer) for the year ended 31 March 2024 and net cash outflows/(inflows) of Rs. Nil for the year ended 31 March 2024 as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss after tax of Rs.20.99 millions (up to the date of transfer) for the year ended 31 March 2024 and total comprehensive loss of Rs. 20.99 millions (up to the date of transfer) for the year ended 31 March 2024, as considered in the Consolidated Financial Statements, in respect of one associate. These financial statements are unaudited and have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements are not material to the Group.

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the audit report issued by us for the Holding Company and based on our consideration of the audit reports issued by respective auditors of the two subsidiaries and one joint venture included in Consolidated Financial Statements, we report that there are no qualifications or adverse remarks in these reports.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of subsidiaries and its joint venture, as noted in the 'Other Matters' paragraph, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters as stated in the paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(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 Holding 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its joint venture, as noted in the 'Other Matter' paragraph:

- i. The Group and its joint venture do not have any pending litigations which would impact its financial position in its Consolidated Financial Statements – Refer Note 46 to the Consolidated Financial Statements;
- ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and joint venture incorporated in India.
- iv. (a) The respective Managements of the Holding Company, its subsidiaries and joint venture, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and joint venture that, to the best of their knowledge and belief, 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 Holding Company or any such subsidiaries or its joint venture 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 Holding Company or any of such subsidiaries or its joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company, its subsidiaries and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries or its joint venture from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or its joint venture 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.





- v. The Holding Company, its subsidiaries and joint venture have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company, subsidiaries, and joint venture have used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- (a) In respect of the Holding Company and one of its subsidiaries incorporated in India, the feature of recording audit trail (edit log) facility of the accounting software used for maintaining the books of account for the financial year ended 31 March 2024 was not enabled. Consequently, we are unable to comment on the operating effectiveness of the audit trail
- (b) In respect of one subsidiary, the accounting software used for maintaining their books of accounts for the financial year ended 31 March 2024, did not have a feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail requirements of the said software, as envisaged under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
- (c) Further, the financial statements of one of the subsidiaries and associate which have been transferred during the year are unaudited and have been furnished to us by the Management. Therefore, we are unable to comment on the reporting requirement under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 in respect of the said subsidiary and associate.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiaries, associates and joint ventures, which are companies incorporated in India, only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

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

*Manish*  
**Manish Surana**  
Partner  
Membership No.: 503812  
UDIN: 24503812BKFMTU7005



Place: Gurugram  
Date: 16 May 2024

## Annexure A

### **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")**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March, 2024, we have audited the internal financial controls with reference to financial statements of DMI FINANCE PRIVATE LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries and joint venture, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by respective 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 the respective company's policies, the safeguarding of the company's 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**

The audit of internal financial controls with reference to financial statements of the aforementioned subsidiaries, which are companies covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, and its joint venture as aforesaid, based on our audit and based on the consideration of the report of the auditor of the joint venture. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by 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 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 and the audit evidence obtained by the other auditors is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company, and its joint venture as aforesaid.

### **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 Holding Company, and its joint venture, which are companies incorporated in India, have, 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, 2024, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

*Manish*

**Manish Surana**  
Membership No.: 503812  
UDIN: 24503812BKFMTU7005



Place: Gurugram  
Date: 16 May 2024

**DMI Finance Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2024**

**1 Corporate Information**

DMI Finance Private Limited is a Private Limited Company ("The Company" or "The Holding Company") incorporated on September 02, 2008 under the provisions of the Companies Act, 2013 having Corporate Identification Number is (CIN) U64990DL2008PTC182749.

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 16th May 2024.

**2 Basis of preparation of Financial Statements**

**a) Statement of compliance**

The consolidated 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 consolidated 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 consolidated 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 consolidated 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 Group presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the 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.

**e) Principles of Consolidation**

**(i) Subsidiaries**

The Group controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and ceases to be consolidated when the Company loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Company's share and share of non-controlling stakeholders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

**(ii) Investment in Associates/ Joint Venture**

Associates include all entities where the Company has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investment in associates/joint venture are accounted using the equity method. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Company's share of post-acquisition profit and loss, and the Company's share of other comprehensive income. Dividend received from associates are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Company and its associate/joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate/joint venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates/joint venture in the consolidated statement of profit and loss.

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

Name of the Company	Country of Incorporation	Proportion of ownership as at		Consolidated as
		As at March 31, 2024	As at March 31, 2023	
Anpnit Technologies Private Limited	India	94.78%	94.04%	Subsidiary
DMI Capital Private Limited	India	100.00%	100.00%	Subsidiary
DMI Management Private Limited (upto 1 Nov 2023)	India	0.00%	100.00%	Subsidiary
DMI Alternatives Private Limited (upto 25 Sep 2023)	India	0.00%	49.00%	Associate
Ampverse DMI Private Limited (w.e.f 05 July 2023)	India	49.00%	0.00%	Joint venture



DMI Finance Private Limited  
Notes to the consolidated financial statements for the year ended March 31, 2024

3.1 Summary of material accounting policies

a) Use of estimates, judgements and assumptions

The preparation of consolidated 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 Group determines the business model at a level that reflects how Group'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 Group 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 Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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 Group 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 Group'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 immaterial 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 Group 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 Group calculates the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Group 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.



**DMI Finance Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2024**

**A. Fee and commission income**

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

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

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group 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 Group 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 Group'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 Group 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 material 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**

(i) 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 materially 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 derecognised.

**(ii) Goodwill**

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as "Asset held for sale" and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

**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 Group 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 Group amortizes the intangible asset over the best estimate of its useful life.

**g) Leases**

**i. Group as a lessee:**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether:

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

**ii. Measurement and recognition:**

At lease commencement date, the Group 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 Group, 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 Group 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 Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group 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 Group's incremental borrowing rate.



**DMI Finance Private Limited**  
**Notes to the consolidated financial statements for the year ended March 31, 2024**

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 Group 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 Group recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

**iii. Group as a lessor:**

As a lessor the Group 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.

**h) Provisions**

Provisions are recognised when the Group 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.

**i) Contingent liabilities and assets**

**i. Contingent liabilities**

The Group 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.

**j) Employee benefits**

**i. Defined contribution plan**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group 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 Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group 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.

**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 Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

**k) 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 Group 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 Group 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 Group 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.

**l) Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the Group (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 Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m) 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**





DMI Finance Private Limited  
Notes to the consolidated financial statements for the year ended March 31, 2024

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

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

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

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

**F. Derecognition**

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Group retains an option to repurchase part of a transferred asset), the Group 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.



DMI Finance Private Limited  
Notes to the consolidated financial statements for the year ended March 31, 2024

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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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 Group'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 Group 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 Group'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 Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group 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 Group.

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 Group 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 material 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 material to the fair value measurement is directly or indirectly observable.

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

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



**DMI Finance Private Limited**  
**Consolidated Balance Sheet as at March 31, 2024**  
**(All Amount in Rs. in millions, unless otherwise stated)**

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	10,580.18	5,699.76
Bank balance other than cash and cash equivalents	5	1,162.59	570.25
Trade receivables	6	68.86	312.09
Loans	7	1,18,439.86	67,344.47
Investments	8	5,712.82	8,136.80
Other financial assets	9	1,169.90	1,090.00
<b>Total financial assets</b>		<b>1,37,134.21</b>	<b>83,153.37</b>
<b>Non-financial assets</b>			
Current tax assets (net)	10	148.20	198.76
Deferred tax assets (net)	11	2,158.37	1,219.49
Property, plant and equipment	12	142.76	143.00
Capital work in progress	13 (a)	4.68	-
Goodwill	14	253.53	253.53
Intangible assets under development	13 (b)	2.54	8.78
Right of use assets	15	219.48	196.35
Other intangible assets	16	30.97	21.66
Other non-financial assets	17	316.58	249.76
<b>Total non-financial assets</b>		<b>3,277.11</b>	<b>2,291.33</b>
Assets held for sale	18	75.00	75.00
<b>TOTAL ASSETS</b>		<b>1,40,486.32</b>	<b>85,519.70</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
A) Trade payables			
(i) total outstanding dues of micro and small enterprises	19 (a)	25.33	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises		1,796.58	1,165.75
B) Other payables			
(i) total outstanding dues of micro and small enterprises	19 (b)	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		850.37	525.06
Debt securities	20	8,862.16	16,837.91
Borrowings (other than debt securities)	21	59,510.11	23,889.34
Lease liabilities	22	265.29	242.29
Other financial liabilities	23	488.74	283.98
<b>Total financial liabilities</b>		<b>71,798.58</b>	<b>42,953.30</b>
<b>Non financial liabilities</b>			
Provisions	24	139.44	102.31
Other non-financial liabilities	25	439.65	261.79
<b>Total non-financial liabilities</b>		<b>579.09</b>	<b>364.10</b>
<b>EQUITY</b>			
Equity share capital	26	7,424.87	6,567.75
Other equity	27	60,660.68	35,607.90
<b>Equity attributable to equity shareholders of the company</b>		<b>68,085.55</b>	<b>42,175.65</b>
Non Controlling Interest	28	23.10	26.65
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,40,486.32</b>	<b>85,519.70</b>

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

*Manish*  
Manish Surana  
Partner  
Membership No. 503812



For and on behalf of the Board of Directors of  
DMI Finance Private Limited  
CIN: U64990DL2008PTC182749

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

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

Place: New York  
Date: May 16, 2024

Place: New Delhi  
Date: May 16, 2024

*Jatinder Pal Singh*  
Jatinder Pal Singh Bhasin  
(Interim Chief Financial Officer)



Place: Gurugram  
Date: May 16, 2024

Place: New Delhi  
Date: May 16, 2024

**DMI Finance Private Limited**  
**Consolidated Statement of profit and loss for the year ended March 31, 2024**  
**(All Amount in Rs. in millions, unless otherwise stated)**

Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from operations</b>		
Interest income	25,302.45	15,970.05
Dividend income	-	3.34
Fees and commission income	754.28	265.41
Net gain on fair value changes	487.85	199.06
<b>Total revenue from operations</b>	<b>26,544.58</b>	<b>16,437.86</b>
Other income	195.59	182.56
<b>Total Income</b>	<b>26,740.17</b>	<b>16,620.42</b>
<b>Expenses</b>		
Finance costs	4,867.53	3,018.66
Fees and commission expense	1,758.82	1,357.13
Impairment on financial instruments	9,148.66	4,012.20
Employee benefits expense	1,696.66	1,281.61
Depreciation, amortization and impairment	117.44	108.91
Other expenses	3,832.56	2,516.95
<b>Total expenses</b>	<b>21,421.67</b>	<b>12,295.46</b>
<b>Profit before tax</b>	<b>5,318.50</b>	<b>4,324.96</b>
Tax expense/ (credit):		
(1) Current tax	2,226.24	1,523.02
(2) Deferred tax	(939.20)	(397.92)
<b>Income tax expense</b>	<b>1,287.04</b>	<b>1,125.10</b>
<b>Net profit for the year</b>	<b>4,031.46</b>	<b>3,199.86</b>
<b>Transfer to Non Controlling Interest</b>	<b>-</b>	<b>-</b>
Add: Share of (Loss) of associate	(20.99)	(54.67)
Add: Share of (Loss) of Joint venture	(36.45)	-
<b>Net Profit after Taxes and share of (Loss) of associate</b>	<b>3,974.02</b>	<b>3,145.19</b>
<b>Other comprehensive Income</b>		
a) Items that will not be reclassified to profit or loss		
(i) Re-measurement gains on gratuity	1.06	4.93
(ii) Net gain/loss on fair value of equity instruments through other comprehensive income	0.23	227.72
Income tax relating to above	(0.32)	(58.56)
<b>Subtotal (a)</b>	<b>0.97</b>	<b>174.09</b>
b) Items that will be reclassified to profit or loss		
(i) Gain/(loss) on Fair Value changes	-	-
Income tax relating to above item	-	-
<b>Subtotal (b)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive Income (a+b), net of tax</b>	<b>0.97</b>	<b>174.09</b>
<b>Total comprehensive Income for the year, net of tax</b>	<b>3,974.99</b>	<b>3,319.28</b>
<b>Profit for the year attributable to</b>		
- Owners of the Company	3,977.57	3,147.67
- Non Controlling Interest	(3.55)	(2.48)
<b>Other comprehensive Income for the year attributable to</b>		
- Owners of the Company	0.97	174.09
- Non Controlling Interest	-	-
<b>Total comprehensive Income for the year attributable to</b>		
- Owners of the Company	3,978.54	3,321.76
- Non Controlling Interest	(3.55)	(2.48)
<b>Earnings per equity share (face value of Rs. 10 per share)</b>		
Basic (Rs.)	5.45	4.87
Diluted (Rs.)	5.39	4.80

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

Manish Surana  
Partner  
Membership No. 503812

Place: Gurugram  
Date: May 16, 2024



For and on behalf of the Board of Directors of  
DMI Finance Private Limited  
CIN: U64990DL2008PTC182749

Shivashish Chatterjee  
(Jt. Managing Director)  
DIN: 02623460

Place: New York  
Date: May 16, 2024

Atinder Pal Singh Bhasin  
(Interim Chief Financial Officer)

Place: New Delhi  
Date: May 16, 2024

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

Place: New Delhi  
Date: May 16, 2024



**DMI Finance Private Limited**  
Express Building, 3rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002  
CIN - U64990DL2008PTC182749  
**Statement of Audited Consolidated Cash Flows for the year ended March 31, 2024**  
(All Amount in Rs. in millions, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A Cash flow from operating activities:</b>		
Profit before tax	5,318.50	4,324.96
Adjustments for		
Depreciation and amortisation	117.44	108.91
Net gain on fair value changes	(487.85)	(199.06)
Impairment on financial instruments	10,523.23	4,801.60
Interest expense for leasing arrangements	23.73	26.33
Effective interest rate adjustment for financial instruments	(6,295.24)	(4,554.41)
Asset held for sale written off	-	69.17
Dividend income	-	(3.34)
Liabilities no longer required written back	(139.20)	-
Gratuity and compensation absences	39.08	27.77
Interest income deposits with bank	(57.23)	(38.65)
Share of loss of associate/joint venture	(57.44)	(54.67)
Employee stock option/share warrant expense	345.39	160.41
Operating profit before working capital changes	9,330.41	4,669.02
(Increase) in financial and other assets	(55,526.58)	(20,842.43)
Increase in financial and other liabilities	1,177.26	649.00
Decrease in non financial assets	(66.82)	(45.14)
Increase in non financial liabilities	176.97	151.15
Total of changes in working capital	(54,238.17)	(20,087.42)
Direct taxes paid (net of refunds)	(2,175.69)	(1,425.84)
Net cash flow generated from / (used in) operating activities (A)	(47,084.45)	(16,844.05)
<b>B Cash flow from investing activities:</b>		
Inflow (outflow) on account of:		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(70.16)	(74.14)
Purchase of investment	(78,645.31)	(76,951.65)
Sale of investment	82,270.97	79,927.20
Investments		
Dividend income	-	3.34
Movement of fixed deposits (net)	(592.34)	(275.59)
Interest income deposits with bank	45.76	38.65
Net cash flow from / (used in) Investing activities (B)	3,008.92	2,667.81
<b>C Cash flow from financing activities:</b>		
Proceed from Issue of equity shares (including share premium)	21,585.97	4.97
Receipt of upfront money on share warrant	-	0.22
Proceeds from borrowings		
Proceeds from borrowings (other than debt securities)	62,808.56	31,517.19
Repayment of borrowings (other than debt securities)	(27,369.22)	(16,686.20)
Proceeds from debt securities	11,888.82	1,500.00
Repayment of debt securities	(19,879.53)	(3,219.16)
Lease payments	(78.65)	(70.87)
Net cash flow generated from financing activities (C)	48,955.95	13,046.35
Net Increase in cash and cash equivalents (A+B+C)	4,880.42	(1,129.88)
Cash and cash equivalents as at the beginning of the year	5,699.76	6,829.64
Cash and cash equivalents at the end of the year	10,580.18	5,699.76

**Notes:**

1) Components of cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.09	0.10
Balance with banks		
In current accounts and overdraft accounts	10,080.09	5,699.66
deposits with original maturity of less than 3 months	500.00	-
Total cash and cash equivalents	10,580.18	5,699.76

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 47.

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

Manish Surana  
Partner  
Membership No. 503812



For and on behalf of the Board of Directors of  
DMI Finance Private Limited  
CIN: U64990DL2008PTC182749

Manish Chatterjee  
(Managing Director)  
DIN: 02623460

Place: New York  
Date: May 16, 2024

Jatinder Pal Singh Bhasin  
(Interim Chief Financial Officer)

Place: New Delhi  
Date: May 16, 2024

Yuvraj Chanakya Singh  
(Jr. Managing Director)  
DIN: 01601179

Place: New Delhi  
Date: May 16, 2024



Place: Gurugram  
Date: May 16, 2024

**DMI Finance Private Limited**  
**Consolidated Statement of Changes in Equity for the year ended March 31, 2024**  
 (All Amount in Rs. In millions, unless otherwise stated)

**A. Equity share capital (refer note 26)**

For the year ended 31 March 2024

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
At 1 April 2023	71,24,68,142	6,567.75
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April 2023	71,24,68,142	6,567.75
Issue of share capital (Note 26)	8,57,11,866	857.12
At 31 March 2024	79,81,80,008	7,424.87

For the year ended 31 March 2023

Equity shares of INR 10 each issued, subscribed and fully paid	Number	INR Millions
At 1 April 2022	71,23,93,401	6,567.00
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	74,741	0.75
At 31 March 2023	71,24,68,142	6,567.75


Particulars	Reserves and Surplus							Other Comprehensive Income				Attributable to owners of the company	Non-controlling Interests	Share application money pending allotment	Total other equity
	Statutory reserve u/s 45-IC of RBI Act	Securities premium	Share based payment outstanding reserve	Share warrant reserves	Capital redemption reserve	Uprfront 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				
<b>Balance as on April 01, 2022</b>	1,093.02	25,707.55	187.02	32.44	81.21	0.50	4,333.59	2.09	693.67	-	685.95	32,121.29	29.13	-	32,150.42
Profit for the year	-	-	-	-	-	-	3,147.67	-	-	-	3,147.67	-	-	-	3,147.67
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	-	3.69	170.40	-	174.09	-	-	-	174.09
Transfer to special reserve	648.03	-	-	-	-	-	(648.03)	-	-	-	-	-	-	-	-
Net additions to share options during the year	-	-	121.63	-	-	-	-	-	-	-	-	121.63	-	-	121.63
Share options exercised during the year	-	-	(3.78)	-	-	-	-	-	-	-	-	(3.78)	-	-	(3.78)
Uprfront Monies on Share Warrant received during the year	-	-	-	-	-	0.22	-	-	-	-	-	0.22	-	-	0.22
Share warrants granted during the year	-	-	-	42.36	-	-	-	-	-	-	-	42.36	-	-	42.36
Share warrants exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	4.22	-	-	-	-	-	-	-	-	4.22	-	-	-	4.22
Profit/(loss) attributable to the non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(2.48)	-	(2.48)
<b>Balance as on March 31, 2023</b>	1,741.05	25,711.77	305.07	74.80	81.21	0.72	6,633.23	5.78	854.27	-	860.05	35,607.90	26.65	-	35,634.55
Profit for the year	-	-	-	-	-	-	3,977.57	-	-	-	3,977.57	-	-	-	3,977.57
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	-	0.79	(796.30)	796.48	0.97	0.97	-	-	0.97
Transfer to special reserve	833.28	-	-	-	-	-	(833.28)	-	-	-	-	-	-	-	-
Net additions to share options during the year	-	-	291.50	-	-	-	-	-	-	-	-	291.50	-	-	291.50
Share options exercised during the year	-	-	(94.92)	-	-	-	-	-	-	-	-	(94.92)	-	-	(94.92)
Share application money received during the year	-	-	-	-	-	-	-	-	-	-	-	-	1.84	-	1.84
Uprfront Monies on Share Warrant received during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share warrants granted during the year	-	-	-	53.89	-	-	-	-	-	-	-	53.89	-	-	53.89
Share warrants exercised during the year	-	-	-	(27.76)	-	-	-	-	-	-	-	(27.76)	-	-	(27.76)
Premium on issue of equity shares (net)	-	20,849.69	-	-	-	-	-	-	-	-	20,849.69	-	-	-	20,849.69
Profit/(loss) attributable to the non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3.55)	-	(3.55)
<b>Balance as on March 31, 2024</b>	2,574.33	46,561.46	501.65	100.93	81.21	0.72	9,977.52	6.57	57.97	796.48	861.02	60,658.84	23.10	1.84	60,683.78

See accompanying notes forming part of the consolidated financial statement.

In terms of our report attached

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

*Manish*  
 Manish Surana  
 Partner  
 Membership No. 503012



For and on behalf of the Board of Directors of  
 DMI Finance Private Limited  
 CIN: U64990DL2019PTC182749

*Shivanshu*  
 Shivanshu Chatterjee  
 (Jt. Managing Director)  
 DIN: 02623460  
 Place: New York  
 Date: May 16, 2024

*Yuvraj*  
 Yuvraj Chankya Singh  
 (Jt. Managing Director)  
 DIN: 02601179  
 Place: New Delhi  
 Date: May 16, 2024

*Pal Singh*  
 Jinder Pal Singh Bhasin  
 (Interim Chief Financial Officer)  
 Place: New Delhi  
 Date: May 16, 2024



Place: Gurugram  
 Date: May 16, 2024

Place: New Delhi  
 Date: May 16, 2024

**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**4 Cash and cash equivalents**

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.09	0.10
Balance with banks		
- balance in current accounts and overdraft accounts*	10,080.09	5,699.66
Deposits with original maturity of less than 3 months	500.00	-
	<b>10,580.18</b>	<b>5,699.76</b>

\* Includes Escrow account balance of Rs. 250.28 millions (previous year: Rs. 15.82 millions) which is maintained as per guidelines of Reserve Bank of India for operating Semi closed Prepaid Payment Instrument and can be used only for the specified purposes.

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

Deposit with original maturity of more than 3 months*	1,162.59	570.25
	<b>1,162.59</b>	<b>570.25</b>

\* Deposits being lien marked against corporate credit cards, overdraft, cash credits, WCDL accounts and pledged for PTC borrowings as external credit enhancement

**6 Trade receivables**

Considered good - Unsecured	68.86	312.09
Considered good - Secured		
Receivables which have significant increase in credit risk		
Receivables – credit impaired		
	<b>68.86</b>	<b>312.09</b>
Less: Impairment loss allowance		
<b>Total</b>	<b>68.86</b>	<b>312.09</b>

Trade receivables from related parties (see note 42)

**Trade receivables ageing schedule**

**As at 31 March 2024**

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	65.00				3.86	68.86
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>65.00</b>				<b>3.86</b>	<b>68.86</b>

**As at 31 March 2023**

Particulars	less than 6 Months	6 months- 1 year	1 -2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables – considered good	308.23				3.86	312.09
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>308.23</b>				<b>3.86</b>	<b>312.09</b>

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



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**7 Loans**

	As at March 31, 2024			As at March 31, 2023		
	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*	5,392.93	104.87	5,497.80	12,054.20	137.80	12,192.00
Consumer loans	117,500.40	-	117,500.40	59,114.03	-	59,114.03
<b>Total (A) Gross</b>	<b>122,893.33</b>	<b>104.87</b>	<b>122,998.20</b>	<b>71,168.23</b>	<b>137.80</b>	<b>71,306.03</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (A) Net</b>	<b>118,346.80</b>	<b>93.06</b>	<b>118,439.86</b>	<b>67,223.05</b>	<b>121.42</b>	<b>67,344.47</b>
<b>(B)</b>						
Secured by tangible assets and intangible assets	35,820.07	104.87	35,924.94	11,990.70	137.80	12,128.50
Unsecured	87,073.26	-	87,073.26	59,177.53	-	59,177.53
<b>Total (B) Gross</b>	<b>122,893.33</b>	<b>104.87</b>	<b>122,998.20</b>	<b>71,168.23</b>	<b>137.80</b>	<b>71,306.03</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (B) Net</b>	<b>118,346.80</b>	<b>93.06</b>	<b>118,439.86</b>	<b>67,223.05</b>	<b>121.42</b>	<b>67,344.47</b>
<b>(C) Sector</b>						
Public sector	-	-	-	-	-	-
Others	122,893.33	104.87	122,998.20	71,168.23	137.80	71,306.03
<b>Total (C) Gross</b>	<b>122,893.33</b>	<b>104.87</b>	<b>122,998.20</b>	<b>71,168.23</b>	<b>137.80</b>	<b>71,306.03</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (C) Net</b>	<b>118,346.80</b>	<b>93.06</b>	<b>118,439.86</b>	<b>67,223.05</b>	<b>121.42</b>	<b>67,344.47</b>
<b>(D)</b>						
In India	122,893.33	104.87	122,998.20	71,168.23	137.80	71,306.03
Outside India	-	-	-	-	-	-
<b>Total (D) Gross</b>	<b>122,893.33</b>	<b>104.87</b>	<b>122,998.20</b>	<b>71,168.23</b>	<b>137.80</b>	<b>71,306.03</b>
Less: Impairment loss allowance	4,546.53	11.81	4,558.34	3,945.18	16.38	3,961.56
<b>Total (D) Net</b>	<b>118,346.80</b>	<b>93.06</b>	<b>118,439.86</b>	<b>67,223.05</b>	<b>121.42</b>	<b>67,344.47</b>

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

**Notes:**

- i) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- ii) Secured Loans granted by the Holding 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. 1,085.87 millions (previous year: Rs. 2,338.58 millions)
- iv) Details of loans given to key managerial personnel (KMP) are provided in Note 42. There is no outstanding balance as on March 31, 2024 and March 31, 2023.





DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount in Rs. in millions, unless otherwise stated)

7.1 Impairment allowance for loans and advances to borrowers

Summary of loans by stage distribution is as follows:

Consumer loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	114,118.34	3,075.86	306.20	117,500.40	57,309.78	1,690.44	113.81	59,114.03
Less: Impairment loss allowance	1,795.57	1,628.45	728.80	3,652.82	619.78	493.24	113.81	1,226.83
Net carrying amount	112,322.77	1,447.41	77.40	113,847.58	56,690.00	1,197.20	-	57,887.20

Corporate loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,501.04	883.86	2,112.90	5,497.80	8,167.13	1,784.28	2,240.59	12,192.00
Less: Impairment loss allowance	132.64	111.32	661.56	905.52	256.96	1,338.45	1,139.32	2,734.73
Net carrying amount	2,368.40	772.54	1,451.34	4,592.28	7,910.17	445.83	1,101.27	9,457.27

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

Credit substitutes and compulsory convertible debentures	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	-	-	807.16	807.16	3,462.35	-	351.99	3,814.34
Less: Impairment loss allowance	-	-	403.57	403.57	765.18	-	351.99	1,117.17
Net carrying amount	-	-	403.59	403.59	2,697.17	-	-	2,697.17

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

Consumer loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	57,309.78	1,690.44	113.81	59,114.03	32,855.94	931.47	69.45	33,856.86
New Assets originated, Netted off for repayments and loans derecognised during the year	59,073.22	(654.92)	(31.93)	58,386.37	24,405.79	882.64	(31.26)	25,257.17
Transfers from Stage 1	(2,400.26)	2,195.71	204.55	-	(564.23)	491.51	72.72	-
Transfers from Stage 2	130.86	(156.05)	25.19	-	603.43	(617.45)	14.02	-
Transfers from Stage 3	4.74	0.68	(5.42)	-	8.85	2.27	(11.12)	-
Gross carrying amount closing balance	114,118.34	3,075.86	306.20	117,500.40	57,309.78	1,690.44	113.81	59,114.03

Corporate loans	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	8,167.13	1,784.28	2,240.59	12,192.00	15,080.82	192.95	774.83	16,048.60
New Assets originated, Netted off for repayments and loans derecognised during the year	(4,349.74)	(1,722.97)	(621.49)	(6,694.20)	(3,714.63)	(17.25)	(124.72)	(3,856.60)
Transfers from Stage 1	(1,316.35)	822.55	493.80	-	(3,199.06)	1,608.58	1,590.48	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	2,501.04	883.86	2,112.90	5,497.80	8,167.13	1,784.28	2,240.59	12,192.00

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

Credit substitutes and compulsory convertible debentures	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,462.35	-	351.99	3,814.34	4,066.97	-	351.99	4,418.96
New Assets originated, Netted off for repayments and loans derecognised during the year	(2,655.19)	-	(351.99)	(3,007.18)	(604.62)	-	-	(604.62)
Transfers from Stage 1	(807.16)	-	807.16	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	-	-	807.16	807.16	3,462.35	-	351.99	3,814.34



DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount in Rs. in millions, unless otherwise stated)

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:

	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Consumer loans*								
Expected credit loss allowance opening balance	619.78	493.24	113.81	1,226.83	284.20	228.76	69.45	582.41
Change in ECL due to change in ECL model rate	272.39	393.19	(28.77)	636.81	124.06	78.09	-	202.15
New Assets originated, Netted off for repayments and loans derecognised/write offs during the year	2,188.47	(371.80)	(27.49)	1,789.18	421.02	62.86	(41.61)	442.27
Transfers from Stage 1	(1,287.14)	1,134.29	152.85	-	(216.13)	143.42	72.71	-
Transfers from Stage 2	2.01	(20.83)	18.82	-	6.53	(20.55)	14.02	-
Transfers from Stage 3	0.07	0.35	(0.43)	-	0.10	0.66	(0.76)	-
Expected credit loss allowance closing balance	1,795.57	1,628.45	228.80	3,652.82	619.78	493.24	113.81	1,226.83

	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate loans **								
Expected credit loss allowance opening balance	256.96	1,338.45	1,139.32	2,734.73	1,855.56	25.29	641.05	2,521.90
Change in ECL due to change in ECL model rate	60.22	16.97	78.20	155.39	93.21	-	14.26	107.47
New Assets originated, Netted off for repayments and loans derecognised/write offs during the year	(37.63)	(1,336.69)	(610.28)	(1,984.60)	160.89	(13.35)	(42.17)	105.37
Transfers from Stage 1	(146.91)	92.59	54.32	-	(1,852.69)	1,326.51	526.18	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Expected credit loss allowance closing balance	132.64	111.32	661.56	905.52	256.96	1,338.45	1,139.32	2,734.73

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:

	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Credit Substitutes **								
Expected credit loss allowance opening balance	765.18	-	351.99	1,117.17	1,193.33	-	319.85	1,513.18
Change in ECL due to change in ECL model rate	-	-	-	-	273.38	-	32.13	305.51
New Assets originated, Netted off for repayments and loans derecognised/write offs during the year	(361.61)	-	(351.99)	(713.60)	(701.53)	-	-	(701.53)
Transfers from Stage 1	(403.57)	-	403.57	-	-	-	-	-
Transfers from Stage 2	-	-	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Expected credit loss allowance closing balance	-	-	403.57	403.57	765.18	-	351.99	1,117.17

\*The addition in ECL is due to increase in loans outstanding on 31 March 24 as compared to 31 March 23.

\*\*The decrease in ECL is due to decrease in loans outstanding on 31 March 24 as compared to 31 March 23.

7.2 Collateral

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

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

Consumer secured loans are hypothecated by first and exclusive charge on the product financed by the Holding Company.

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

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



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**8 Investments**

As at March 31, 2024	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 Associate</b>						
Equity shares in DMI Alternatives Private Limited**	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-
<b>Mutual funds</b>						
76,949,851 units in HDFC liquid fund-direct plan-growth	-	365.01	-	365.01	-	365.01
<b>Subtotal</b>	-	365.01	-	365.01	-	365.01
<b>Others</b>						
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	-	-	3.58	3.58	-	3.58
Equity shares in Flash Electronics Private Limited**	-	-	-	-	-	-
Equity shares in Alchemist Asset Reconstruction Company Limited	-	-	219.24	219.24	-	219.24
Equity shares in Azad Engineering Private Limited**	-	-	-	-	-	-
Equity shares in Radian Polymers Private Limited**	-	-	-	-	-	-
<b>Subtotal</b>	-	-	222.82	222.82	-	222.82
<b>Preference shares</b>						
<b>Investments in Joint Venture</b>						
Compulsorily convertible preference shares in Ampverse DMI Private Limited	-	-	-	-	94.75	94.75
<b>Investments in Others</b>						
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
Compulsorily convertible preference shares in Saarathi Finbiz Private Limited	-	-	160.01	160.01	-	160.01
<b>Subtotal</b>	-	-	194.51	194.51	94.75	289.26
<b>Compulsory or Optionally Convertible Debentures</b>						
7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited) of face value of Rs 1,00,000 each	-	-	752.88	752.88	-	752.88
Compulsory convertible debentures in Biorad Medisys Private Limited of face value of Rs. 10,00,000 each**	-	-	-	-	-	-
<b>Subtotal</b>	-	-	752.88	752.88	-	752.88
<b>Credit Substitutes</b>						
805 units of Saha Estate Developer Private Limited of face value Rs 1,000,000 fully paid up	593.77	-	213.39	807.16	-	807.16
Units of Raheja Icon Entertainment Private Limited of face value Rs 1,000,000 fully paid up***	-	-	-	-	-	-
<b>Subtotal</b>	593.77	-	213.39	807.16	-	807.16
Investment in Pass through certificates(unquoted)	3,673.46	-	-	3,673.46	-	3,673.46
<b>Other instruments</b>						
Units of DMI AIF Special Opportunities Scheme	-	-	5.80	5.80	-	5.80
<b>Subtotal</b>	-	-	5.80	5.80	-	5.80
<b>Total (A) Gross</b>	4,267.23	365.01	1,389.40	6,021.64	94.75	6,116.39
Less: Impairment loss allowance	296.88	-	106.69	403.57	-	403.57
<b>Total (A) Net</b>	3,970.35	365.01	1,282.71	5,618.07	94.75	5,712.82
<b>(B) Investments outside India</b>						
Investments in India	4,267.23	365.01	1,389.40	6,021.64	94.75	6,116.39
<b>Total (B) Gross</b>	4,267.23	365.01	1,389.40	6,021.64	94.75	6,116.39
Less: Impairment loss allowance	296.88	-	106.69	403.57	-	403.57
<b>Total (B) Net</b>	3,970.35	365.01	1,282.71	5,618.07	94.75	5,712.82

\* At cost  
\*\* Sold during the year  
\*\*\* Written off during the year



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

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 Associate</b>						
Equity shares in DMI Alternatives Private Limited	-	-	-	-	71.63	71.63
<b>Subtotal</b>	-	-	-	-	71.63	71.63
<b>Mutual funds</b>						
100,175.67 units in HDFC liquid fund-direct plan-growth	-	443.10	-	443.10	-	443.10
<b>Subtotal</b>	-	443.10	-	443.10	-	443.10
<b>Others</b>						
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	-	-	3.48	3.48	-	3.48
Equity shares in Flash Electronics Private Limited	-	-	818.97	818.97	-	818.97
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	34.50
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>	-	227.04	1,172.81	1,399.85	-	1,399.85
<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>	-	-	2,160.27	2,160.27	-	2,160.27
<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>	1,116.64	-	537.43	1,654.07	-	1,654.07
Investment in Pass through certificates(unquoted)	3,515.31	-	-	3,515.31	-	3,515.31
<b>Other Instruments</b>						
Units of DMI AIF Special Opportunities Scheme	-	-	9.73	9.73	-	9.73
<b>Subtotal</b>	-	-	9.73	9.73	-	9.73
<b>Total (A) - Gross</b>	4,631.95	670.14	3,880.24	9,182.33	71.63	9,253.97
Less: Impairment loss allowance	668.70	-	448.47	1,117.17	-	1,117.17
<b>Total (A) - Net</b>	3,963.25	670.14	3,431.77	8,065.16	71.63	8,136.80
<b>(B) Investments outside India</b>						
Investments in India	4,631.95	670.14	3,880.24	9,182.33	71.63	9,253.97
<b>Total (B) - Gross</b>	4,631.95	670.14	3,880.24	9,182.33	71.63	9,253.97
Less: Impairment loss allowance	668.70	-	448.47	1,117.17	-	1,117.17
<b>Total (B) - Net</b>	3,963.25	670.14	3,431.77	8,065.16	71.63	8,136.80

\* At cost

Notes:

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

(ii) Detail of Group's associate/joint venture is given below. These are included in the Group's financial statements using equity method of accounting:

Name of entity	Principal Activity	Place of incorporation	Principal place of business	As at March 31, 2024	As at March 31, 2023
<b>Associate</b>					
DMI Alternatives Private Limited (upto 25 Sep 2023)	Investment Manager	Delhi	Delhi	0.00%	49.00%
<b>Joint Venture</b>					
Ampverse DMI Private Limited (w.e.f 05 July 2023)	Promotion of esports	Delhi	Delhi	49.00%	0.00%

(iii) An analysis of Group's investment in associate/joint venture is as follows:

	Joint Venture		Associate	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year			71.63	126.30
Addition/Adjustment	131.20	-	(5.03)	-
Disposal	-	-	-	-
Share of Profits/(Loss)	(36.45)	-	(20.99)	(54.67)
Dividend received	-	-	-	-
Less: Sale proceeds	-	-	67.05	-
Add: Profit on sale	-	-	21.44	-
<b>Balance at the end of the year</b>	<b>94.75</b>	<b>-</b>	<b>-</b>	<b>71.63</b>

(iv) Financial information

None of the associates/joint venture of the Group is individually material, financial information aggregating 100% of the results is as follows:

	Joint Venture		Associate	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Profit/ (loss) after tax	(74.38)	-	(42.84)	(111.57)
Other Comprehensive income	-	-	-	0.53
<b>Total Comprehensive Income</b>	<b>(74.38)</b>	<b>-</b>	<b>(42.84)</b>	<b>(111.04)</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

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

	As at March 31, 2024	As at March 31, 2023
Security deposit	33.78	26.24
First loss default guarantee recoverable	130.13	133.13
Interest accrued on fixed deposits	22.50	11.03
Recoverable from partner	-	104.24
Unbilled revenue and recoverables	1,015.99	815.36
Others	30.50	-
	<b>1,232.90</b>	<b>1,090.00</b>
Less: Impairment loss allowance	63.00	-
<b>Total</b>	<b>1,169.90</b>	<b>1,090.00</b>

**10 Current tax assets (net)**

Advance Income-tax (net)	148.20	198.76
<b>Total</b>	<b>148.20</b>	<b>198.76</b>

**11 Deferred tax assets (net)**

<b>Deferred tax liability</b>		
Fair value of financial instruments	21.91	321.69
Leased assets	55.24	49.42
Difference in income recognition on unrealized gain on mutual fund investments	14.47	9.97
<b>Total deferred tax liabilities</b>	<b>91.62</b>	<b>381.08</b>
<b>Deferred tax asset</b>		
Provision for employee benefits	36.00	30.85
Difference in written down value as per Companies Act and Income-tax Act	16.57	15.12
EIR adjustment for processing fee	771.95	260.36
Liability against leases	66.26	60.47
Impairment loss allowance	1,264.67	1,200.30
Notional Interest on Market linked debentures	48.98	14.57
Non deductible tax expenses	0.09	0.08
Carry forward of losses	45.47	18.82
<b>Total deferred tax asset</b>	<b>2,249.99</b>	<b>1,600.57</b>
<b>Net deferred tax asset</b>	<b>2,158.37</b>	<b>1,219.49</b>

Movement of deferred tax assets	As at March 31, 2023	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2024
<b>Liabilities</b>				
Fair value of financial instruments	321.69	(299.84)	0.06	21.91
Leased assets	49.42	5.82	-	55.24
Difference in income recognition on unrealized gain on mutual fund investments	9.97	4.50	-	14.47
<b>Deferred tax liabilities</b>	<b>381.08</b>	<b>(289.52)</b>	<b>0.06</b>	<b>91.62</b>
<b>Assets</b>				
Provision for employee benefits	30.85	5.41	(0.26)	36.00
Difference in written down value as per Companies Act and Income-tax Act	15.12	1.45	-	16.57
EIR adjustment for processing fee	260.36	511.59	-	771.95
Liability against leases	60.47	5.79	-	66.26
Impairment loss allowance	1,200.30	64.37	-	1,264.67
Notional Interest on Market linked debentures	14.57	34.41	-	48.98
Non deductible TDS expenses	0.08	0.01	-	0.09
Carry forward of Losses	18.82	26.65	-	45.47
Carry forward of interest disallowed u/s 94B	-	-	-	-
<b>Deferred tax assets</b>	<b>1,600.57</b>	<b>649.68</b>	<b>(0.26)</b>	<b>2,249.99</b>
<b>Net deferred tax asset</b>	<b>1,219.49</b>	<b>939.20</b>	<b>(0.32)</b>	<b>2,158.37</b>

Movement of deferred tax assets	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2023
<b>Liabilities</b>				
Fair value of financial instruments	379.33	(114.96)	57.32	321.69
Leased assets	59.13	(9.71)	-	49.42
Difference in income recognition on unrealized gain on mutual fund investments	23.80	(13.83)	-	9.97
<b>Deferred tax liabilities</b>	<b>462.26</b>	<b>(138.50)</b>	<b>57.32</b>	<b>381.08</b>
<b>Assets</b>				
Provision for employee benefits	20.96	11.13	(1.24)	30.85
Difference in written down value as per Companies Act and Income-tax Act	12.18	2.94	-	15.12
EIR adjustment for processing fee	77.29	183.07	-	260.36
Liability against leases	69.04	(8.57)	-	60.47
Impairment loss allowance	1,131.17	69.13	-	1,200.30
Notional Interest on Market linked debentures	-	14.57	-	14.57
Non deductible tax expenses	-	0.08	-	0.08
Carry forward of Losses	3.23	15.59	-	18.82
Carry forward of interest disallowed u/s 94B	28.53	(28.53)	-	-
<b>Deferred tax assets</b>	<b>1,342.40</b>	<b>259.41</b>	<b>(1.24)</b>	<b>1,600.57</b>
<b>Net deferred tax assets</b>	<b>880.14</b>	<b>397.91</b>	<b>(58.56)</b>	<b>1,219.49</b>



DMI Finance Private Limited  
Notes to Consolidated 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 April 01, 2022	1.90	57.65	5.55	32.69	137.28	235.07
Additions	0.11	32.21	-	6.74	43.98	83.04
Disposals	(0.05)	(0.93)	-	(0.02)	-	(1.01)
Balance as at March 31, 2023	1.95	88.93	5.55	39.41	181.26	317.10
Additions	0.02	21.48	4.41	7.99	15.45	51.35
Disposals	-	(13.08)	(4.11)	-	-	(17.19)
Balance as at March 31, 2024	1.97	97.33	7.85	47.40	196.71	351.26
<b>Accumulated depreciation</b>						
Balance as at April 01, 2022	1.13	39.34	4.69	26.85	58.42	130.43
Charge for the year	0.24	18.95	0.26	5.08	19.81	44.35
Disposals	(0.03)	(0.63)	-	(0.02)	-	(0.68)
Balance as at March 31, 2023	1.34	57.66	4.95	31.91	78.23	174.10
Charge for the year	0.15	23.50	1.11	5.31	20.40	50.47
Disposals	-	(12.38)	(3.69)	-	-	(16.07)
Balance as at March 31, 2024	1.49	68.78	2.37	37.22	98.63	208.50
<b>Net carrying amount</b>						
As at March 31, 2022	0.77	18.31	0.86	5.84	78.86	104.64
As at March 31, 2023	0.61	31.27	0.60	7.50	103.03	143.00
As at March 31, 2024	0.48	28.55	5.48	10.17	98.08	142.76

Notes:

- I) Leasehold improvements comprises expenditure incurred for the construction on the property obtained on lease as disclosed in Note 15 - 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 Group 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, 2024	March 31, 2023			
Capital work in progress	4.68	-			
As at 31 March, 2024	4.68	-			
	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.68	-	-	-	4.68
Projects temporarily suspended	-	-	-	-	-
As at 31 March, 2023	4.68	-	-	-	4.68
	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March, 2023	-	-	-	-	-

Contractual commitments to be executed on capital account amounting to Rs 7.17 millions (previous year: 4.05 millions)

13 (b) Intangible assets under development

	As at				
	March 31, 2024	March 31, 2023			
Intangible assets under development	2.54	8.78			
As at 31 March, 2024	2.54	8.78			
	Amount in intangible assets under development for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.54	-	-	-	2.54
Projects temporarily suspended	-	-	-	-	-
As at 31 March, 2023	2.54	-	-	-	2.54
	Amount in intangible assets under development for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.78	-	-	-	8.78
Projects temporarily suspended	-	-	-	-	-
As at 31 March, 2023	8.78	-	-	-	8.78

Note:

Contractual commitments to be executed on capital account amounting to Rs 0.47 millions (previous year: Rs 2.90 millions)



DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount in Rs. in millions, unless otherwise stated)

14 Goodwill

Particulars	As at	
	March 31, 2024	March 31, 2023
Cost or deemed cost	253.53	253.53
Accumulated impairment loss	-	-
	253.53	253.53

Particulars	As at	
	March 31, 2024	March 31, 2023
Cost or deemed cost	-	-
Balance at the beginning of the year	253.53	253.53
Additions on account of acquisitions/business combinations	-	-
Adjustments	-	-
Foreign currency translation reserve	-	-
Balance at the end of the year	253.53	253.53

Particulars	As at	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	253.53	253.53
Additions on account of acquisitions/business combinations	-	-
Impairment losses recognised in the year	-	-
Balance at the end of the year	253.53	253.53

Notes:

- i) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.
- ii) For the purpose of impairment testing, goodwill acquired in one of the subsidiary is compared with the synergies arising from the subsidiary. After testing, no impairment loss was assessed.

15 Right of use assets

	Right of use assets	Total
<b>Gross carrying amount</b>		
Balance as at April 01, 2022	368.99	368.99
Additions	10.27	10.27
Disposals	-	-
Balance as at March 31, 2023	379.26	379.26
Additions	77.92	77.92
Disposals	-	-
Balance as at March 31, 2024	457.18	457.18
<b>Depreciation</b>		
Balance as at April 01, 2022	134.04	134.04
Additions	48.87	48.87
Disposals	-	-
Balance as at March 31, 2023	182.91	182.91
Additions	54.79	54.79
Disposals	-	-
Balance as at March 31, 2024	237.70	237.70
<b>Net carrying amount</b>		
As at March 31, 2022	234.95	234.95
As at March 31, 2023	196.35	196.35
As at March 31, 2024	219.48	219.48

Note: For other details please refer Note 48

16 Other intangible assets

	Software	Total
<b>Gross carrying amount</b>		
Balance as at April 01, 2022	65.20	65.20
Additions	5.95	5.95
Disposals	-	-
Balance as at March 31, 2023	71.15	71.15
Additions	21.64	21.64
Disposals	(3.21)	(3.21)
Balance as at March 31, 2024	89.58	89.58
<b>Amortization</b>		
Balance as at April 01, 2022	33.80	33.80
Additions	15.69	15.69
Disposals	-	-
Balance as at March 31, 2023	49.49	49.49
Additions	12.18	12.18
Disposals	(3.06)	(3.06)
Balance as at March 31, 2024	58.61	58.61
<b>Net carrying amount</b>		
As at March 31, 2022	31.41	31.41
As at March 31, 2023	21.66	21.66
As at March 31, 2024	30.97	30.97



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

	As at March 31, 2024	As at March 31, 2023
<b>17 Other non- financial assets</b>		
Prepaid expenses	218.81	147.40
Balances with statutory / government authorities	17.38	6.80
Advance salary	0.02	1.58
Advances given to service providers	71.04	72.47
Other non-financial assets*	9.33	21.51
<b>Total</b>	<b>316.58</b>	<b>249.76</b>

\*Includes 18.63 million incurred for expenses in the previous year related to issue of equity shares and has been adjusted with share premium of the issue, in the current year (Refer Note 27).

**18 Assets held for sale**

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

**Note :** These assets represent assets acquired from the Holding Company's borrowers as a part of Group's risk management strategy. In these cases, the Holding 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 Holding Company and borrower to transfer the asset in the name of the Holding Company towards settlement of the loan amount.

Basis the development, the Holding Company, on prudent basis, had impaired asset under settlement amounting to Rs. 68.88 million in the previous year.





**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

	As at March 31, 2024	As at March 31, 2023
<b>19 Payables</b>		
<b>a. Trade payables</b>		
i. Total outstanding dues of micro and small enterprises (See note "B" below)	25.33	8.97
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,796.58	1,165.75
	<b>1,821.91</b>	<b>1,174.72</b>
<b>b. Other payables</b>		
i. Total outstanding dues of micro and small enterprises (See note "B" below)	*	*
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	850.37	525.06
	<b>850.37</b>	<b>525.06</b>
<b>Total</b>	<b>2,672.28</b>	<b>1,699.78</b>

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

**As at 31 March 2024**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	25.33	-	-	-	25.33
Total outstanding dues of creditors other than micro and small enterprises	2,448.99	125.83	50.23	21.90	2,646.95
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-
<b>Total</b>	<b>2,474.32</b>	<b>125.83</b>	<b>50.23</b>	<b>21.90</b>	<b>2,672.28</b>

**As at 31 March 2023**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	8.97	-	-	-	8.97
Total outstanding dues of creditors other than micro and small enterprises	1515.98	135.07	31.58	8.18	1690.81
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-
<b>Total</b>	<b>1,524.95</b>	<b>135.07</b>	<b>31.58</b>	<b>8.18</b>	<b>1,699.78</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**B) Amount outstanding of micro and small enterprises**

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

	As at March 31, 2024	As at March 31, 2023
i) The Principal amount and the interest due thereon remaining unpaid to any supplier at year end		
- Principal amount	25.33	8.97
- Interest thereon	-	-
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	-	-

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

Non convertible debentures (refer note 20.1)	7,122.07	15,352.85
Commercial paper (refer note 20.2)	245.44	-
Market linked debentures (refer note 20.3)	1,494.65	1,485.06
	<b>8,862.16</b>	<b>16,837.91</b>
Secured **	3,976.72	1,984.92
Unsecured	4,885.44	14,852.99
<b>Total</b>	<b>8,862.16</b>	<b>16,837.91</b>
Debt securities in India	8,862.16	16,837.91
Debt securities outside India	-	-
<b>Total</b>	<b>8,862.16</b>	<b>16,837.91</b>

\*\* Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company of Rs. 5,320.00 millions (previous year Rs. 2,668.62 millions).

The Holding 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 Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**20.1 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, 2024	Amount outstanding as at March 31, 2023	Terms of redemption
INE604007159	June 30, 2020	June 30, 2023	1,000,000	500	9.00%	500	-	499.85	36 Months from the date of Allotment. Coupon payment frequency is yearly
INE604007175	November 28, 2023	August 22, 2025	100,000	20,000	9.75%	2,000	1,982.69	-	633 Days from the date of allotment. Coupon payment frequency is annually
INE604007183	January 24, 2024	July 24, 2026	100,000	5,000	9.80%	500	499.38	-	912 Days from the date of Allotment. Coupon and principal payment frequency is half-yearly
<b>Total</b>							<b>2,482.07</b>	<b>499.85</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, 2024	Amount outstanding as at March 31, 2023	Terms of redemption
INE604008082	November 25, 2019	November 25, 2023*	1,000,000	2,040	8.50%	2,040.00	-	2,040.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604008090	December 10, 2019	December 10, 2023**	1,000,000	867	8.50%	867.00	-	867.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604008108	February 20, 2020	February 20, 2024***	1,000,000	7,172	8.50%	7,172.00	-	7,172.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604008124	February 28, 2020	February 28, 2024	1,000,000	4,640	9.50%	4,640.00	-	4,640.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604008116	March 12, 2020	March 12, 2024	1,000,000	134	8.50%	134.00	-	134.00	48 months from the Date of Allotment. Coupon payment frequency is quarterly
INE604008132	March 12, 2024	March 12, 2027	100,000	46,400	9.80%	4,640.00	4,640.00	-	36 months from date of allotment. Coupon payment frequency is quarterly.
<b>Total</b>							<b>4,640.00</b>	<b>14,853.00</b>	

\* Redeemed prematurely on May 19, 2023

\*\* Redeemed prematurely on May 5, 2023

\*\*\* Redeemed prematurely on January 24, 2024

**20.2 Terms of Commercial Paper**

**Unsecured**

ISIN	Date of allotment	Date of redemption	Nominal value per unit/ per commercial paper	Number	Rate of interest	Face value	Amount outstanding as at March 31, 2024*	Amount outstanding as at March 31, 2023	Terms of redemption
INE604014049	March 28, 2024	June 14, 2024	500,000	500	9.05%		245.44	-	78 days from the date of allotment
<b>Total</b>							<b>245.44</b>		

\* Includes discount accretion of INR 4.56 million as at March 31, 2024

**20.3 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, 2024	Amount outstanding as at March 31, 2023	Terms of redemption
INE604007167	October 21, 2022	October 21, 2024	100,000	1,500	As per Table Below *	1,500.00	1,494.65	1,485.06	24 Months from the date of Allotment. Coupon is payable on/at maturity.
<b>Total</b>							<b>1,494.65</b>	<b>1,485.06</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 Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

	As at March 31, 2024	As at March 31, 2023
<b>21 Borrowings (other than debt securities) (at amortised cost)</b>		
<b>Secured</b>		
<b>Term loans</b>		
From banks and financial institutions (See note i, iv and vii below)	52,377.03	20,489.36
<b>Other loans</b>		
Securitisation - PTC Borrowings (See note iii and v below)	7,019.37	2,902.81
<b>Cash credit and overdraft</b>		
From banks (See note i and ii below)	112.88	496.34
<b>Sub-total (A)</b>	<b>59,509.28</b>	<b>23,888.51</b>
<b>Unsecured</b>		
<b>Term loans</b>		
From Individuals (See note vi below)	0.83	0.83
<b>Sub-total (B)</b>	<b>0.83</b>	<b>0.83</b>
<b>Total (A+B)</b>	<b>59,510.11</b>	<b>23,889.34</b>
Borrowings in India	59,510.11	23,889.34
Borrowings outside India	-	-
<b>Total</b>	<b>59,510.11</b>	<b>23,889.34</b>

**Notes:**

- i) Secured against exclusive floating charge by way of hypothecation of loans and receivables of the Holding Company to the extent of Rs. 70,552.22 millions (Previous year: Rs. 28,663.73 millions).
- ii) Exclusive hypothecation charge on the standard receivables of the Holding Company at all times and cash credit is repayable on demand.
- iii) Secured against exclusive fixed charge by way of hypothecation of loans and receivables of the Holding Company to the extent of Rs. 8,988.54 millions (Previous year: Rs. 3,748.46 millions)
- iv) Terms of repayment of borrowings as on March 31, 2024 are as follows:

Lender	Disbursement Amount	Repayment	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023
Bank of Baroda-2	500	16 monthly installments	124.80	249.25
Bank of Baroda-3	500	16 quarterly installments	249.35	373.58
Bank of Baroda-4	1,000	12 quarterly installments	498.46	829.14
Bank of Baroda-5	1,000	12 quarterly installments	664.10	994.31
Bank of Baroda-6	3,000	12 quarterly installments	2,730.82	-
Karnataka Bank Limited -1	200	11 quarterly installments	18.18	89.86
Karnataka Bank Limited -2	250	11 quarterly installments	4.55	110.93
Karnataka Bank Limited -3	500	11 quarterly installments	181.17	361.95
Karnataka Bank Limited -4	250	34 monthly installments	205.41	-
Karnataka Bank Limited -5	1,000	34 monthly installments	909.85	-
Bank of Maharashtra-1	500	42 monthly installments	178.21	320.31
Bank of Maharashtra-2	2,000	42 monthly installments	1,279.77	1,846.91
Bank of Maharashtra-3	2,000	33 monthly installments	1,747.98	-
HDFC Bank Limited-2	750	8 quarterly installments	-	102.64
HDFC Bank Limited-3	800	8 quarterly installments	-	399.23
HDFC Bank Limited-4	1,000	8 quarterly installments	249.86	747.92
HDFC Bank Limited-5	1,000	8 quarterly installments	166.59	830.56
HDFC Bank Limited-6	2,000	8 quarterly installments	997.66	2,000.00
HDFC Bank Limited-7	2,000	8 quarterly installments	1,661.09	-
HDFC Bank Limited-8	1,000	12 quarterly installments	830.35	-
HDFC Bank Limited-9	2,930	8 quarterly installments	2,917.79	-
State Bank Of India-1	1,000	15 quarterly installments	332.17	596.52
State Bank Of India-2	2,000	15 quarterly installments	1,062.82	1,591.46
State Bank of India -3	2,000	15 quarterly installments	1,460.89	1,988.97
State Bank of India -4	7,500	15 quarterly installments	6,926.12	-
Kotak Mahindra Bank Limited-1	400	24 monthly installments	-	149.90
Kotak Mahindra Bank Limited-2	750	24 monthly installments	93.74	468.26
Kotak Mahindra Bank Limited-3	750	24 monthly installments	468.36	-
Kotak Mahindra Bank Limited-4	250	24 monthly installments	170.28	-
Kotak Mahindra Bank Limited-5	1,500	24 monthly installments	1,310.93	-
Kotak Mahindra Bank Limited-6	500	24 monthly installments	499.31	-
IndusInd Bank Limited -1	500	12 quarterly installments	164.36	331.15
IndusInd Bank Limited -2	500	12 quarterly installments	329.80	494.98
IndusInd Bank Limited -3	2,500	12 quarterly installments	2,055.88	-
IndusInd Bank Limited -4	500	12 quarterly installments	491.45	-
Punjab National Bank-1	500	35 monthly installments	140.60	312.51
Punjab National Bank-2	500	14 quarterly installments	496.27	-
South Indian Bank Limited -2	500	15 quarterly installments	263.12	398.02
South Indian Bank Limited -3	1,000	7 quarterly installments	996.84	-
Indian Bank-1	750	16 quarterly installments	420.92	560.45
Indian Bank-2	500	11 quarterly installments	362.55	497.48
Indian Bank-3	500	16 quarterly installments	497.70	-



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

Sumitomo Mitsui Banking Corporation	1,000	Upto 3 months	-	999.73
Sumitomo Mitsui Banking	2,000	Upto 3 months	1,999.45	-
MUFG Bank Limited	4,000	upto 6 months	4,000.00	-
CSB Bank Limited-1	500	12 quarterly installments	205.32	373.43
CSB Bank Limited - 2	250	12 quarterly installments	206.59	-
DCB Bank	250	11 quarterly installments	157.91	250.02
Bandhan Bank-1	500	45 monthly installments	364.84	498.48
Bandhan Bank-2	1,000	45 monthly installments	996.72	-
Utkarsh Small Finance Bank Limited-	300	37 monthly installments	178.12	275.16
Utkarsh Small Finance Bank Limited -	380	37 monthly installments	338.39	-
Jammu & Kashmir Bank Limited	500	14 quarterly installments	424.58	496.25
Canara Bank	1,000	14 quarterly installments	922.31	-
Axis Bank Ltd-1	1,000	8 quarterly installments	621.08	-
Axis Bank Ltd-2	2,000	8 quarterly installments	1,994.02	-
Tata Capital Limited	500	36 monthly installments	388.04	-
Indian Overseas Bank	500	14 quarterly installments	494.84	-
Bajaj Finance Limited	1,000	36 monthly installments	886.42	-
Federal Bank Limited	500	10 quarterly installments	445.56	-
Aditya Birla Finance Limited	500	12 quarterly installments	456.63	-
Poonawalla Fincorp Limited	500	36 monthly installments	473.68	-
UCO Bank	2,000	12 quarterly installments	1,812.62	-
HDFC Bank Limited WCDL	450	Upto 90 days	450.00	450.00
IndusInd Bank Limited WCDL	250	upto 360 days	249.81	-
Indian Bank WCDL	150	Upto 1 year	150.00	-
HDFC Bank Limited CC WCDL	500	5 months	-	500.00
<b>Total</b>			<b>52,377.03</b>	<b>20,489.36</b>

Interest rate ranges from 8.00% p.a to 10.10% p.a

Security cover ratio ranges from 1.10 times to 1.33 times

**v) Terms of repayment of Securitization- PTC borrowings as on March 31, 2024 are as follows:**

Securitisation	Total Amount	Payment Terms	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023
MOST I	2,381.00	Monthly Payout to the Trust on the Pay in Date	-	119.00
PLUM II	772.70	Monthly Payout to the Trust on the Pay in Date	21.20	552.50
PLUM I	905.30	Monthly Payout to the Trust on the Pay in Date	201.57	748.30
PLUM III	1,491.20	Monthly Payout to the Trust on the Pay in Date	483.65	1,483.01
PLUM 24-1	830.02	Monthly Payout to the Trust on the Pay in Date	213.53	-
PLUM 24-2	649.09	Monthly Payout to the Trust on the Pay in Date	171.88	-
PLUM 24-3	1,504.46	Monthly Payout to the Trust on the Pay in Date	811.56	-
PLUM 24-4	1,272.38	Monthly Payout to the Trust on the Pay in Date	773.37	-
PLUM 24-5	977.60	Monthly Payout to the Trust on the Pay in Date	715.54	-
PLUM 24-6	514.28	Monthly Payout to the Trust on the Pay in Date	406.99	-
PLUM 24-7	1,862.79	Monthly Payout to the Trust on the Pay in Date	1,713.79	-
PLUM 24-10	483.34	Monthly Payout to the Trust on the Pay in Date	481.17	-
PLUM 24-11	1,028.20	Monthly Payout to the Trust on the Pay in Date	1,025.12	-
<b>Total</b>			<b>7,019.37</b>	<b>2,902.81</b>

Interest rate ranges from 9.15% p.a to 9.35% p.a

vi) Unsecured interest free loans from individuals are repayable on demand

vii) Secured term loans from banks amounting to Rs. 52,377.03 millions (Previous year: Rs. 20,489.36 millions) and carry rate of interest in the range of 8.00% to 10.10% p.a. (Previous year: 6.00% to 12.00% 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.

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

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

x) The Group 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 Group doesn't have any charges or satisfaction which is yet to be registered with ROC beyond statutory period except charge amounting to 7,221.91 millions on terms loans outstanding amounting to 5,430 millions, which is yet to be registered with the ROC, since the deed of hypothecation was not executed as at 31 March 2024.

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



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

	As at March 31, 2024	As at March 31, 2023
<b>22 Lease liabilities</b>		
Lease liabilities (refer note 48)	265.29	242.29
	<b>265.29</b>	<b>242.29</b>
<b>23 Other financial liabilities</b>		
Interest accrued but not due		
- Debt securities	282.25	208.49
- Borrowings other than debt securities	206.49	75.49
	<b>488.74</b>	<b>283.98</b>
<b>24 Provisions</b>		
Provision for gratuity (refer note 40)	56.01	41.69
Provision for compensated absences	83.43	60.62
	<b>139.44</b>	<b>102.31</b>
<b>25 Other non-financial liabilities</b>		
Statutory dues payable	292.78	223.62
Advances for goods and services	142.16	33.13
Prepaid Payment Instrument balances	-	0.33
Security deposit	4.71	4.71
	<b>439.65</b>	<b>261.79</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**26 Equity share capital**

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>A. Authorized share capital</b>				
Equity shares of Rs. 10 each	1,965,000,000	19,650.00	1,965,000,000	19,650.00
Compulsorily convertible preference shares of Rs. 10 each	35,000,000	350.00	35,000,000	350.00
	<b>2,000,000,000</b>	<b>20,000.00</b>	<b>2,000,000,000</b>	<b>20,000.00</b>
<b>B. Issued, subscribed and paid up</b>				
<b>Fully called-up and paid-up</b>				
Equity shares of Rs. 10 each	740,864,608	7,408.65	655,152,742	6,551.53
<b>Sub total (A)</b>	<b>740,864,608</b>	<b>7,408.65</b>	<b>655,152,742</b>	<b>6,551.53</b>
<b>Partly called-up and paid-up</b>				
Equity shares of Rs. 10 each	57,315,400	16.22	57,315,400	16.22
<b>Sub total (B)</b>	<b>57,315,400</b>	<b>16.22</b>	<b>57,315,400</b>	<b>16.22</b>
<b>Total (A+B)</b>	<b>798,180,008</b>	<b>7,424.87</b>	<b>712,468,142</b>	<b>6,567.75</b>

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

Balance at the beginning of year	712,468,142	6,567.75	712,393,401	6,567.00
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the period	712,468,142	6,567.75	712,393,401	6,567.00
Shares issued during the year	85,711,866	857.12	74,741	0.75
First call money called on partly paid up shares	-	-	-	-
<b>Balance at the end of year</b>	<b>798,180,008</b>	<b>7,424.87</b>	<b>712,468,142</b>	<b>6,567.75</b>

**26.2 Shares held by parent company**

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
DMI Limited	519,272,316	69.94%	519,889,603	79.16%
	<b>519,272,316</b>	<b>69.94%</b>	<b>519,889,603</b>	<b>79.16%</b>

As per records of the Holding 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.

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each fully paid up</b>				
DMI Limited	519,272,316	69.94%	519,889,603	79.16%
NIS Ganesha S.A.	64,735,441	8.72%	64,735,441	9.86%
MUFG Bank Limited	73,830,443	9.94%	-	-

Note: As per records of the Holding 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 Holding Company has issued 34,43,272 equity shares at a face value of Rs. 10 each on the exercise of stock options and warrants. The amount received on these issues aggregates to Rs. 285.39 million.

(ii) % holding is calculated on the basis of paid up capital.



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**26.4 Details of shares held by promoters**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Equity shares of Rs. 10 each fully paid up</b>		
No. of shares at the beginning of the year	519,889,603	519,889,603
Change during the year	(617,287)	-
No. of shares at the end of the year	519,272,316	519,889,603
% of total shares	69.94%	79.16%
% change during the year	(11.65%)	(0.01%)

DMI Limited is the promoter of the Holding Company

**26.5 Rights, preferences and restrictions**

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

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

The Holding 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.

**26.7 Uncalled and Unpaid Capital**

There are 5,73,15,400 equity shares issued by the Holding Company against which, the Holding Company has received Rs. 165.25 millions (including securities Premium of Rs. 149.03 millions). Balance amount is not called up by the Holding Company.

**26.8 The Holding 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 Holding Company on June 8, 2022. Pursuant to such capital reduction 5,73,15,400 partly paid equity shares are expected to be reduced to 16,22,138 shares. Further, the order from NCLT is awaited.**

**26.9 Share application money pending allotment**

The Holding Company has received Rs. 1.84 millions on which allotment of shares is not yet made.





**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**27 Other equity**

	As at March 31, 2024	As at March 31, 2023
Securities premium	46,561.46	25,711.77
Capital redemption reserve	81.21	81.21
Statutory reserve u/s 45-IC of RBI Act	2,574.33	1,741.05
Share based payment outstanding reserve	501.65	305.07
Share warrant reserve	100.93	74.80
Retained earnings	9,977.52	6,833.23
Other comprehensive income	861.02	860.05
Upfront monies received on share warrant	0.72	0.72
Share application money pending allotment	1.84	-
<b>Total</b>	<b>60,660.68</b>	<b>35,607.90</b>
<b>Securities premium</b>		
Opening balance	25,711.77	25,707.55
Add : Premium on shares issued during the year (including shares issued under Employees Stock Option plan)	20,873.32	4.22
Less: Expenses related to issue of equity shares*	(23.63)	-
Closing balance	46,561.46	25,711.77
* Includes 18.63 millions incurred in previous financial year.		
<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	1,741.05	1,093.02
Add : Transfer during the year from Surplus in statement of profit and loss	833.28	648.03
Closing balance	2,574.33	1,741.05
<b>Share based payment outstanding reserve</b>		
Opening balance	305.07	187.02
Add: Granted/vested during the year	291.50	121.83
Less : Exercised during the year	(94.92)	(3.78)
Closing balance	501.65	305.07
<b>Share warrant reserve</b>		
Opening balance	74.80	32.44
Add: Share warrants granted during the year	53.89	42.36
Less: Share warrants exercised during the year	(27.76)	-
Closing balance	100.93	74.80
<b>Retained earnings</b>		
Opening balance	6,833.23	4,333.59
Add : Profit for the year	3,977.57	3,147.67
Less : Transfer to reserve fund as per section 45 IC of RBI Act, 1934	(833.28)	(648.03)
Closing balance	9,977.52	6,833.23
<b>Upfront monies received on share warrant</b>		
Opening balance	0.72	0.50
Add : Amount received during the year	-	0.22
Closing balance	0.72	0.72
<b>Other Comprehensive Income</b>		
Opening balance	860.05	685.96
Add: Remeasurement gain on defined benefit plan	0.79	3.69
Add : Gain on Fair Value changes (debt and equity)	(796.30)	170.40
Add: Realised Gain on investments	796.48	-
Closing balance	861.02	860.05
<b>Share application money pending allotment</b>		
Opening balance	-	-
Add: Amount received during the year	1.84	-
Closing balance	1.84	-



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**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 Holding 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 Holding Company and subsidiary companies.

**Retained earnings**

Retained earnings or accumulated surplus represents total of all profits retained since the Holding 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 Holding Company.

**Share application money pending allotment**

The Holding Company has received Rs. 1.84 millions on which allotment of shares is not yet made.

**28 Non-controlling Interests**

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	26.65	29.13
Share of profit/(loss) for the year	(3.55)	(2.48)
<b>Balance at the end of the year</b>	<b>23.10</b>	<b>26.65</b>

**Details of non-wholly owned subsidiary that have non-controlling Interests**

The table shows details of non-wholly owned subsidiary of the Group that has non-controlling interests:

Name of Subsidiary	Place of incorporation	Proportion of ownership interests		Profit/(loss) allocated to non-controlling	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Appnit Technologies Private Limited	India	5.22%	5.96%	(3.55)	(2.48)

**Particulars**

Financial assets  
 Non Financial assets  
 Financial liabilities  
 Non Financial liabilities  
 Equity attributable to the owners of the company  
 Non-controlling interests

	As at March 31, 2024	As at March 31, 2023
Financial assets	369.63	152.82
Non Financial assets	135.72	103.74
Financial liabilities	134.51	7.39
Non Financial liabilities	150.00	37.85
Equity attributable to the owners of the company	197.72	184.67
Non-controlling interests	23.10	26.65

**Particulars**

Income  
 Expenses (including taxes)  
 Profit/(loss) for the year  
 Profit/(loss) attributable to the owners of the Company  
 Profit/(loss) attributable to the non-controlling interests  
 Other comprehensive income for the year  
 Other comprehensive income attributable to the owners of the Company  
 Other comprehensive income attributable to the non-controlling interests  
**Total comprehensive income of the year**

	As at March 31, 2024	As at March 31, 2023
Income	198.66	48.02
Expenses (including taxes)	258.23	89.74
Profit/(loss) for the year	(59.57)	(41.72)
Profit/(loss) attributable to the owners of the Company	(56.02)	(39.24)
Profit/(loss) attributable to the non-controlling interests	(3.55)	(2.48)
Other comprehensive income for the year	0.08	0.08
Other comprehensive income attributable to the owners of the Company	0.08	0.08
Other comprehensive income attributable to the non-controlling interests	-	-
<b>Total comprehensive income of the year</b>	<b>(59.49)</b>	<b>(41.64)</b>

Note: Above numbers are gross.



DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount in Rs. in millions, unless otherwise stated)

29 Interest income

	Year ended March 31, 2024			Year ended March 31, 2023		
	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	-	24,582.38	14.99	-	15,391.00	21.51
Interest income on investments	-	504.11	143.74	106.92	256.47	155.50
Interest on deposits with bank	-	57.23	-	-	38.65	-
<b>Total Interest income</b>		<b>25,143.72</b>	<b>158.73</b>	<b>106.92</b>	<b>15,686.12</b>	<b>177.01</b>
			<b>25,302.45</b>			<b>15,970.05</b>

29A Dividend Income

	Year ended March 31, 2024	Year ended March 31, 2023
Dividend Income	-	3.34
		<b>3.34</b>

30 Fees and commission income

	Amount invoiced		Revenue booked	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Foreclosure Income	77.56	18.49	77.56	18.49
Service and administration income	313.98	93.69	313.98	93.69
Distribution income	96.71	-	96.71	-
Consulting fee	1.11	40.46	1.11	40.46
Payment gateway fee	111.95	35.98	111.95	35.98
Others	-	-	152.97	76.79
	<b>601.31</b>	<b>188.62</b>	<b>754.28</b>	<b>265.41</b>

31 Net gain on fair value changes

	Year ended March 31, 2024	Year ended March 31, 2023
(A) Net gain on financial instruments at fair value through profit and loss On financial instruments designated at fair value through profit or loss	487.85	199.06
(B) others	-	-
	<b>487.85</b>	<b>199.06</b>
Analysis of fair value changes <sup>a</sup>		
Realised	370.60	339.28
Unrealised	117.25	(140.22)
	<b>487.85</b>	<b>199.06</b>

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

32 Other Income

Cost sharing from group companies	45.46	158.73
Interest income on Income tax refund	0.09	0.32
Interest income on unsecured loans	1.12	1.25
Liabilities no longer required written back	140.41	4.24
Foreign exchange gain (net)	0.02	0.01
Miscellaneous income	8.49	18.01
	<b>195.59</b>	<b>182.56</b>

33 Finance costs

Interest on financial liabilities (measured at amortised cost)		
Interest on debt securities		
- on non convertible debentures	1,017.99	1,533.36
- on market linked debentures	146.30	62.11
- on commercial paper	48.40	-
Interest on borrowings (other than debt securities)		
- on bank term loan	3,180.26	1,189.84
- on bank cash credit	14.66	20.19
Other interest expense		
- on delayed deposit of statutory dues	3.86	-
- on leasing arrangements	23.73	26.33
- securitisation	421.41	179.96
Other borrowing costs	10.92	6.87
	<b>4,867.53</b>	<b>3,018.66</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

	Year ended March 31, 2024	Year ended March 31, 2023
	<b>34 Fees and commission expense</b>	
Selling partner commission	1,584.00	1,329.74
Others	174.82	27.39
	<u>1,758.82</u>	<u>1,357.13</u>
<b>35 Impairment on financial instruments</b>		
Expected credit loss allowance	(116.81)	461.24
Write offs	<u>8,765.47</u>	<u>3,550.96</u>
	<u>9,148.66</u>	<u>4,012.20</u>
<b>36 Employee benefits expense</b>		
Salaries, wages and bonus	1,243.39	1,074.65
Contribution to provident and other funds	19.16	16.30
Gratuity expenses (refer note 40)	17.71	14.29
Share based payment to employees **	351.42	134.22
Staff welfare expenses	64.98	42.15
	<u>1,696.66</u>	<u>1,281.61</u>
** Includes 14.41 millions (Previous year : 12.39 millions) of warrants issued by Group Company (DMI Housing Finance) to employees of the Holding Company		
<b>37 Depreciation and amortization</b>		
Depreciation on property, plant and equipment (See note 12)	50.47	44.35
Amortisation of right of use assets (See note 15)	54.79	48.87
Amortisation of other intangible assets (See note 16)	<u>12.18</u>	<u>15.69</u>
	<u>117.44</u>	<u>108.91</u>
<b>38 Other expenses</b>		
Advertisement expenses	54.90	25.31
Legal and professional fees*	1,377.37	915.44
Travelling and conveyance expenses	68.90	75.43
Auditor's remuneration (refer note 38.1)	5.58	5.09
IT expenses	650.04	491.85
Rates and taxes	28.54	7.44
Rent	9.76	10.76
Goods and service tax	736.43	420.12
Director's sitting fee	0.84	0.76
Corporate social responsibility (refer note 38.2)	37.21	16.88
Repair and maintenance	24.70	26.20
Insurance expense	4.76	1.50
Credit evaluation fee	585.48	328.60
Credit rating fee	18.14	9.93
Customer onboarding expenses	-	0.06
Assets held for sale written off	-	69.17
Collection charges	137.44	-
Miscellaneous expenses	92.47	112.41
	<u>3,832.56</u>	<u>2,516.95</u>
* includes share warrant expense amounting to Rs. 8.76 millions (previous year Rs. 40.79 millions)		
<b>38.1 Auditor's remuneration (excluding applicable taxes)</b>		
- as auditors	3.60	3.36
- for tax audit	0.35	0.36
- for other services	1.30	1.12
- out of pocket expenses	0.33	0.25
	<u>5.58</u>	<u>5.09</u>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**38.2 Corporate social responsibility (CSR)**

In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Group during the year was Rs. 37.19 millions in FY 2023-24 (Previous Year Rs. 16.88 millions) and Group has spent Rs. 36.18 millions in FY 2023-24 (Previous Year Rs. 15.94 millions).

	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount unspent for the last year	0.94	-
Gross amount required to be spent by the Group during the year	37.19	16.88
Amount spent during the year	36.18	15.94
<b>Paid in cash</b>	<b>36.18</b>	<b>15.94</b>
Yet to be paid in cash	1.01	-
<b>Nature of CSR Activities (See Note "d")</b>		
Education, Nutrition and Women Empowerment	22.20	10.44
Promoting and development towards healthcare	0.73	-
Training and helping Indian Athletes to win Olympic Gold medals	2.22	-
Upliftment of abandoned and poor	3.00	4.00
Provision of low cost sanitation	2.50	1.50
Rural women development	3.00	-
Welfare of stray dogs	1.00	-

**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 1.01 millions in the books as at March 31, 2024 (Previous year Rs. 0.94 millions)
- c) As per the provisions of the Companies Act, 2013 read with Schedule VII, unspent amount of Rs. 1.01 million will be spent within 6 months from the end of FY, i.e. latest by Sept 30, 2024 in the specified fund (Unspent amount in the previous year of Rs 0.94 million was transferred to the specified fund on 15th June, 2023)
- d) The above spent amount of Rs. 36.18 million includes administrative expenses of Rs. 1.53 million as allowed as per the CSR Rules.

**39 Earning per share (EPS)**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Net profit attributable to equity shareholders</b>	<b>3,974.02</b>	<b>3,145.19</b>
Net profit for the year for basic EPS	3,974.02	3,145.19
Dilutive impact of convertible instruments	-	-
Net profit for the year for dilutive EPS	3,974.02	3,145.19
<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>739,139,701</b>	<b>656,716,725</b>
Weighted average number of potential equity shares on exercise of stock option and warrants	8,289,717	9,834,747
<b>Weighted-average number of equity shares for dilutive EPS (Face value of share Rs. 10 each)</b>	<b>747,429,418</b>	<b>666,551,472</b>
<b>Basic EPS</b>	<b>5.45</b>	<b>4.87</b>
<b>Dilutive EPS</b>	<b>5.39</b>	<b>4.80</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**40 Retirement benefit plan**

**Defined contribution plan**

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

The total expense charged to statement of profit and loss during the current year Rs. 19.16 millions (previous year: Rs. 16.30 millions ) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

**Defined benefit plan**

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

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

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

**Changes in the defined benefit obligation:**

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	41.69	34.56
Current service cost	14.64	11.81
Interest cost	3.07	2.48
Benefits Paid	(2.33)	(2.23)
Remeasurement (gain)	(1.06)	(4.93)
<b>Balance at the end of the year</b>	<b>56.01</b>	<b>41.69</b>

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

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	14.64	11.81
Interest cost on defined benefit obligation	3.07	2.48
<b>Net impact on profit before tax</b>	<b>17.71</b>	<b>14.29</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	-	(0.04)
Actuarial changes arising from changes in financial assumptions	2.05	(1.85)
Experience adjustments	(3.11)	(3.04)
<b>Impact on other comprehensive income</b>	<b>(1.06)</b>	<b>(4.93)</b>

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

**Economic assumptions**

Discount rate	7.11%	7.36%
Future salary increases	6.00%	6.00%

**Demographic assumptions**

Retirement age	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)

**Attrition at ages (withdrawal rate)**

(i) up to 30 years	3.00%	3.00%
(ii) From 31 to 44 years	2.00%	2.00%
(iii) Above 44 years	1.00%	1.00%

Note: The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Group'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**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**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 March 31, 2024	Year ended March 31, 2023
	(4.01)	(3.02)
	4.44	3.34
	3.25	2.60
	(3.16)	(2.39)

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 March 31, 2024	As at March 31, 2023
	1.08	0.81
	0.81	0.60
	0.92	0.67
	1.26	0.72
	1.33	0.95
	2.43	0.94
	48.18	37.00
	<b>56.01</b>	<b>41.69</b>



DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount in Rs. in millions, unless otherwise stated)

41 Employee Stock Option Plan

I. The Holding Company has formulated share-based payment schemes for its group employees. Details of all grants in operation during the year ended March 31, 2024 are as given below:

Scheme Name	Date of grant	Date of Board / Committee approval	Number of options granted	Method of settlement	Graded vesting period *	First vesting date	Vesting conditions	Exercise price per option	Stock price on the date of grant
DMI ESOP Plan 2019	1-Apr-19	2/11/2020	360,043	Shares	See Below	3/31/2020	As per plan	95.49	95.49
Founder Circle Award 2019-20 (NBFC Apr'20)	16-Mar-20	2/11/2020	395,000	Shares	See Below	3/15/2021	As per plan	100.00	101.87
DMI Finance ESOP Plan 2018 - II	19-Mar-18	3/16/2018	-	Shares	See Below	3/18/2019	As per plan	43.90	22.81
DMI Finance ESOP Plan 2018	1-Apr-18	3/16/2018	446,009	Shares	See Below	3/31/2019	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme - I	1-Apr-18	3/16/2018	-	Shares	See Below	3/31/2019	As per plan	46.74	24.68
DMI ESOP Plan, Management Scheme - II	1-Oct-18	10/1/2018	71,714	Shares	See Below	9/30/2019	As per plan	46.74	95.49
DMI ESOP Plan, Legacy Scheme	1-Apr-18	3/16/2018	138,350	Shares	See Below	3/31/2019	As per plan	13.29	24.68
DMI Finance ESOP Plan 2020 - II	16-Feb-21	4/9/2020	9,228	Shares	See Below	2/15/2022	As per plan	113.34	113.34
Founder Circle Award 2019-20 (NBFC Apr'20) - I	21-Apr-20	4/9/2020	275,000	Shares	See Below	3/31/2021	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020	1-Apr-20	4/9/2020	250,644	Shares	See Below	3/31/2021	As per plan	116.36	116.36
DMI Finance ESOP Plan 2020 - III	1-Jan-21	4/9/2020	6,055	Shares	See Below	3/31/2021	As per plan	113.34	113.34
DMI Finance Plan 2021	1-Apr-21	6/21/2021	460,392	Shares	See Below	4/1/2022	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Apr'21)	1-Apr-21	6/21/2021	260,000	Shares	See Below	4/1/2024	As per plan	113.00	113.00
Founder Circle Award 2020-21 (NBFC Jul'21)	27-Jul-21	6/21/2021	2,759,000	Shares	See Below	7/27/2024	As per plan	112.86	112.86
Employment Contracts - Jan'22	20-Dec-21	6/21/2021	12,210	Shares	See Below	12/20/2024	As per plan	209.00	209.00
DMI ESOP Plan, Management Scheme - III	15-Jan-22	6/21/2021	18,315	Shares	See Below	1/15/2023	As per plan	209.00	209.00
Employment Contracts - Feb'22 - I	28-Jan-22	6/21/2021	6,105	Shares	See Below	1/28/2025	As per plan	209.00	209.00
Employment Contracts - Feb'22 - II	1-Mar-22	6/21/2021	-	Shares	See Below	3/1/2025	As per plan	209.00	209.00
Employment Contracts - Feb'22 - III	7-Mar-22	6/21/2021	3,663	Shares	See Below	3/7/2025	As per plan	209.00	209.00
DMI Finance ESOP Plan 2022	1-Apr-22	5/20/2022	447,949	Shares	See Below	4/1/2023	As per plan	212.81	212.81
DMI Finance ESOP Plan 2022 - II	1-Jul-22	5/20/2022	749	Shares	See Below	4/1/2023	As per plan	212.81	212.81
Employment Contract - Aug'22 - II	12-Aug-22	8/12/2022	-	Shares	See Below	8/12/2025	As per plan	217.77	217.77
Employment Contract - Aug'22 - III	25-Aug-22	8/12/2022	1,670	Shares	See Below	8/25/2025	As per plan	217.77	217.77
Employment Contract - Jun'22	22-Jun-22	8/12/2022	5,945	Shares	See Below	6/22/2025	As per plan	212.81	212.81
Employment Contract - Mar'23	1-Mar-23	3/27/2023	29,154	Shares	See Below	3/1/2026	As per plan	225.11	225.11
Employment Contract - Nov'22	10-Nov-22	11/14/2022	-	Shares	See Below	11/10/2025	As per plan	221.53	217.77
Employment Contract - Sep'22	30-Sep-22	11/14/2022	2,188	Shares	See Below	9/30/2025	As per plan	221.53	217.77
Employment Contracts - Apr'22	28-Apr-22	5/20/2022	1,784	Shares	See Below	4/28/2025	As per plan	212.81	212.81
Employment Contracts - Jul'22	1-Jul-22	8/12/2022	30,000	Shares	See Below	7/1/2025	As per plan	217.77	217.77
Employment Contracts - May'22	4-May-22	5/20/2022	30,000	Shares	See Below	5/4/2025	As per plan	212.81	212.81
Founder Circle Award 2022-23 (NBFC Feb'23)	1-Feb-23	3/27/2023	9,405,700	Shares	See Below	2/1/2028	As per plan	225.11	225.11
DMI Finance ESOP Plan 2023	1-Apr-23	4/1/2023	480,755	Shares	See Below	4/1/2024	As per plan	259.18	259.18
Founder Circle Award 2023-24 (NBFC Apr'23)	1-Apr-23	4/1/2023	350,000	Shares	See Below	4/1/2028	As per plan	259.18	259.18
Employment Contract - Jul'23	1-Jul-23	6/30/2023	28,946	Shares	See Below	7/1/2026	As per plan	259.18	259.18
Employment Contract - Oct'23	1-Oct-23	9/25/2023	11,525	Shares	See Below	10/1/2026	As per plan	281.84	281.84
Employment Contract - Jan'24	1-Jan-24	12/15/2023	54,388	Shares	See Below	1/1/2027	As per plan	285.69	285.69
<b>Total</b>			<b>16,352,481</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 Employment Contract - Aug'22 - III, Employment Contract - Jun'22, Employment Contract - Sep'22, Employment Contracts - Apr'22, Employment Contracts - Feb'22, Employment Contracts - Jan'22, Employment Contracts - Jul'22, Employment Contracts - May'22, Founder Circle Award 2019-20 (NBFC Apr'20), Founder Circle Award 2019-20 (NBFC Mar'20), Founder Circle Award 2020-21 (NBFC Apr'21), Founder Circle Award 2020-21 (NBFC Jul'21), Employment Contract - Mar'23, Employment Contract - Jul'23, Employment Contract - Oct'23, Employment Contract - Jan'24 options will vest on completion of three years from the grant dates respectively.

\*3 For Scheme Founder Circle Award 2022-23 (NBFC Feb'23), Founder Circle Award 2023-24 (NBFC Apr'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/sixth anniversary of Option Grant Date.

**Note for Scheme modified during the period**

Exercise period of the following schemes has been extended from 2 years to 3 years. The fair value of the schemes is calculated as per Black-Scholes Model

Scheme name	Original Fair value	Revised Fair Value	Incremental Fair Value
DMI ESOP Plan 2019	38.86	43.83	4.96
DMI ESOP Plan, Legacy Scheme	15.32	15.99	0.67
DMI ESOP Plan, Management Scheme	49.45	52.62	3.17
DMI Finance ESOP Plan 2018	1.15	3.51	2.36





DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount In Rs. In millions, unless otherwise stated)

II. Reconciliation of options  
March 31, 2024

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 Finance ESOP Plan 2018 - II	23,038	-	23,038	-	-	-
DMI Finance ESOP Plan 2018	1,062,854	-	616,845	-	446,009	0.50
DMI ESOP Plan, Management Scheme - I	7,073	-	7,073	-	-	-
DMI ESOP Plan, Management Scheme - II	579,148	-	507,434	-	71,714	0.50
DMI ESOP Plan, Legacy Scheme	281,354	-	143,004	-	138,350	0.00
DMI ESOP PLAN 2019	625,248	-	265,205	-	360,043	1.00
Founder Circle Award 2019-20 (NBFC Apr'20)	1,335,000	-	940,000	-	395,000	1.06
DMI Finance ESOP Plan 2020 - II	23,068	-	13,840	-	9,228	1.88
Founder Circle Award 2019-20 (NBFC Apr'20) - I	275,000	-	-	-	275,000	1.06
DMI Finance ESOP Plan 2020	363,094	-	112,450	-	250,644	1.00
DMI Finance ESOP Plan 2020 - III	9,865	-	3,810	-	6,055	1.76
DMI Finance Plan 2021	552,939	-	88,079	4,468	460,392	2.00
Founder Circle Award 2020-21 (NBFC Apr'21)	270,000	-	-	10,000	260,000	2.00
Founder Circle Award 2020-21 (NBFC Jul'21)	3,011,000	-	30,000	222,000	2,759,000	2.32
Employment Contracts - Jan'22	12,210	-	-	-	12,210	2.72
DMI ESOP Plan, Management Scheme - III	18,315	-	-	-	18,315	2.79
Employment Contracts - Feb'22 - I	6,105	-	-	-	6,105	2.83
Employment Contracts - Feb'22 - II	7,326	-	-	7,326	-	-
Employment Contracts - Feb'22 - III	3,663	-	-	-	3,663	2.93
DMI Finance ESOP Plan 2022	501,364	-	33,877	19,538	447,949	3.00
DMI Finance ESOP Plan 2022 - II	2,497	-	-	1,748	749	3.25
Employment Contract - Aug'22 - II	1,670	-	-	1,670	-	-
Employment Contract - Aug'22 - III	1,670	-	-	-	1,670	3.40
Employment Contract - Jun'22	5,945	-	-	-	5,945	3.23
Employment Contract - Mar'23	29,154	-	-	-	29,154	3.92
Employment Contract - Nov'22	2,188	-	-	2,188	-	-
Employment Contract - Sep'22	2,188	-	-	-	2,188	3.50
Employment Contracts - Apr'22	1,784	-	-	-	1,784	3.08
Employment Contracts - Jul'22	30,000	-	-	-	30,000	3.25
Employment Contracts - May'22	30,000	-	-	-	30,000	3.09
Founder Circle Award 2022-23 (NBFC Feb'23)	10,048,700	-	-	643,000	9,405,700	4.84
DMI Finance ESOP Plan 2023	-	507,595	-	26,840	480,755	4.01
Founder Circle Award 2023-24 (NBFC Apr'23)	-	350,000	-	-	350,000	5.01
Employment Contract - Jul'23	-	28,946	-	-	28,946	4.25
Employment Contract - Oct'23	-	13,621	-	7,096	11,525	4.51
Employment Contract - Jan'24	-	54,388	-	-	54,388	4.76
<b>Total</b>	<b>19,123,460</b>	<b>954,550</b>	<b>2,784,655</b>	<b>940,874</b>	<b>16,352,481</b>	

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 Finance ESOP Plan 2018 - II	23,038	-	1,889	-	21,038	0.08
DMI Finance ESOP Plan 2018	1,083,463	-	20,609	-	1,062,854	0.50
DMI ESOP Plan, Management Scheme - I	7,073	-	-	-	7,073	0.50
DMI ESOP Plan, Management Scheme - II	586,222	-	-	7,074	579,148	0.50
DMI ESOP Plan, Legacy Scheme	314,148	-	32,794	-	281,354	0.00
DMI ESOP PLAN 2019	646,899	-	7,497	14,154	625,248	1.00
Founder Circle Award 2019-20 (NBFC Apr'20)	1,400,000	-	-	65,000	1,335,000	2.06
DMI Finance ESOP Plan 2020 - II	23,068	-	-	-	23,068	2.88
Founder Circle Award 2019-20 (NBFC Apr'20) - I	580,000	-	-	305,000	275,000	2.06
DMI Finance ESOP Plan 2020	388,823	-	7,529	18,200	363,094	2.00
DMI Finance ESOP Plan 2020 - III	9,865	-	-	-	9,865	2.76
DMI Finance Plan 2021	633,708	-	4,823	75,946	552,939	3.00
Founder Circle Award 2020-21 (NBFC Apr'21)	430,000	-	-	160,000	270,000	3.00
Founder Circle Award 2020-21 (NBFC Jul'21)	3,723,000	-	-	712,000	3,011,000	3.32
Employment Contracts - Jan'22	14,432	-	-	2,222	12,210	3.72
DMI ESOP Plan, Management Scheme - III	18,315	-	-	-	18,315	3.79
Employment Contracts - Feb'22 - I	6,105	-	-	-	6,105	3.83
Employment Contracts - Feb'22 - II	7,326	-	-	-	7,326	3.92
Employment Contracts - Feb'22 - III	3,663	-	-	-	3,663	3.93
DMI Finance ESOP Plan 2022	-	518,651	-	17,287	501,364	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	-	1,784	-	-	1,784	4.50
Employment Contracts - Apr'22	-	30,000	-	-	30,000	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)	-	10,048,700	-	-	10,048,700	5.84
<b>Total</b>	<b>9,900,637</b>	<b>10,674,447</b>	<b>74,741</b>	<b>1,376,883</b>	<b>19,123,460</b>	

Weighted average exercise price of stock options exercised during the year is 75.68 (Previous year: Rs. 48.18)



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount In Rs. In millions, unless otherwise stated)**

**III. Computation of fair value**

For undertaking fair valuation of ESOP, the Holding 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
Founder Circle Award 2019-20 (NBFC Apr'20)	101.87	30.00%	6.50%	-	100.00	40.75
DMI Finance ESOP Plan 2018 - II	22.81	15.00%	6.00%	-	43.90	0.67
DMI Finance ESOP Plan 2018	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme - I	24.68	15.00%	7.50%	-	46.74	1.15
DMI ESOP Plan, Management Scheme - II	95.49	15.00%	7.50%	-	46.74	49.45
DMI ESOP Plan, Legacy Scheme	24.68	15.00%	7.00%	-	13.29	15.32
DMI Finance ESOP Plan 2020 - II	113.34	30.00%	6.14%	-	113.34	43.35
Founder Circle Award 2019-20 (NBFC Apr'20) - I	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 Finance ESOP Plan 2020 - III	113.34	30.00%	6.14%	-	113.34	43.35
DMI Finance Plan 2021	113.00	30.00%	6.60%	-	113.00	43.49
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
Employment Contracts - Jan'22	209.00	30.00%	6.60%	-	209.00	81.89
DMI ESOP Plan, Management Scheme - III	209.00	30.00%	6.60%	-	209.00	81.89
Employment Contracts - Feb'22 - I	209.00	30.00%	6.60%	-	209.00	81.89
Employment Contracts - Feb'22 - II	209.00	30.00%	6.60%	-	209.00	81.89
Employment Contracts - Feb'22 - III	209.00	30.00%	6.60%	-	209.00	81.89
DMI Finance ESOP Plan 2022	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)	275.11	29.91%	7.65%	-	275.11	103.28
DMI Finance ESOP Plan 2023	259.18	24.15%	7.18%	-	259.18	95.57
Founder Circle Award 2023-24 (NBFC Apr'23)	259.18	24.15%	7.18%	-	259.18	107.15
Employment Contract - Jul'23	259.18	19.29%	7.10%	-	259.18	86.09
Employment Contract - Oct'23	276.54	19.09%	7.72%	-	281.84	95.44
Employment Contract - Jan'24	285.69	18.03%	7.13%	-	285.69	95.61

The Holding Company applies the fair value method of accounting to account for stock options issued by it to the employees of the Group. 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 Holding Company recognise share based compensation in the Statement of Profit and Loss with a corresponding credit to Share based payments outstanding reserve.

Options have been given to employees of the Group in accordance with "DMI Employee Stock Option Plan - 2018".

The employees' compensation expense for Stock options during the year ended 31 March 2024 amounts to Rs. 287.45 millions (previous year Rs. 133.41 millions).

The Holding Company has entered into cost chargeback agreement with the grantor and post this agreement the Holding 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 Holding 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.

During the financial year 2018-19, as per the scheme options were granted to employees of the Grantor. The Holding Company has recognised the expense of Rs. 2.81 Millions (previous year: Rs. 0.07 Millions) as share based compensation expense in relation to these options with a corresponding credit to a liability account which is Rs. 12.87 millions as on March 31, 2024 (Rs. 10.06 Millions as on March 31, 2023).



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. in millions, unless otherwise stated)**

**42 Disclosures in respect of Related Parties as per Indian Accounting Standard (Ind AS) – 24 'Related Party Disclosures**

**(a) List of related parties**

**Parent company**  
DMI Limited

**Associate**  
DMI Alternatives Private Limited (upto 25 Sep 2023)

**Fellow subsidiaries**  
DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)  
DMI Housing Finance Private Limited

**Joint Venture**  
Ampverse DMI Private Limited (w.e.f 05 July 2023)

**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 (upto 24 Nov 2023)
Mr. Nipender Kochhar	Director
Mr. Krishan Gopal	Chief Financial Officer (upto 27 May 2023)
Mr. Vivek Wadhera	Chief Financial Officer (appointed w.e.f 14 Aug 2023)
Mr. Sahib Pahwa	Company Secretary (upto 15 Sep 2023)
Mr. Alfred Victor Mendoza	Nominee Director (w.e.f 14 Nov 2022)
Mr. Masakazu Osawa	Additional Director (w.e.f 13 Apr 2023), Nominee Director (w.e.f 28 Sep 2023)
Ms. Shilpi Varshney	Company Secretary (appointed w.e.f 25 Sep 2023, upto 12 Dec 2023)

**Note:**

- There is no Company Secretary appointed by the company on the reporting date.
- Mr. Vivek Wadhera served as Chief Financial Officer upto 01 Apr 2024.
- Mr. Jatinder Pal Singh Bhasin was appointed as Interim Chief Financial Officer by the Holding Company on 25 Apr 2024.

**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  
Quickwork Technologies Private Limited  
2022 Revocable Trust of Yuvraj C. Singh  
Shivashish Chatterjee Revocable Trust  
DMI Alternatives Private Limited (w.e.f 26 Sep 2023)  
DMI Management Private Limited (w.e.f. 02 Nov 2023)

**Entity with significant influence**

Ganesh Fixed Income Limited

**(b) Transactions with related parties:**

Name of related party	Nature of transaction	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
DMI Housing Finance Private Limited	Cost share recovery	38.32	63.09
	Share based payment	17.21	12.45
	Reimbursement of expense paid by related party on behalf of entity	1.52	4.00
DMI Alternatives Private Limited	Cost share recovery	44.18	88.21
	Share based payment	2.48	0.85
	Reimbursement of expense paid by related party on behalf of entity	2.38	1.34
	Other expenses	38.66	-
	Sale of units of Alternative Investment Fund (Special Opportunities Scheme)	1.45	-
	Sale of shares held in DMI Management	4.59	-
DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)	Investment in Optionally Convertible Debentures	752.88	-
Ampverse DMI Private Limited	Purchase of Compulsory Convertible Preference Shares	131.20	-
Ganesh Fixed Income Limited	Interest expenses	10.83	11.39
	Repayment of loan	134.00	-
2022 Revocable Trust of Yuvraj C. Singh	Sale of shares held in DMI Alternatives	33.52	-
	Sale of units of Alternative Investment Fund (Special Opportunities Scheme)	1.89	-
Shivashish Chatterjee Revocable Trust	Sale of shares held in DMI Alternatives	33.52	-
	Sale of units of Alternative Investment Fund (Special Opportunities Scheme)	1.89	-



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

- 43 In reference to point 2(i)(vi)(a) of the consolidated independent auditors report for the year ended March 31, 2024, the Holding Company and one of its subsidiary uses Navision software for maintenance of accounting data. Management, in view to process large quantum of data on a daily basis, has disabled transaction daily logs in the accounting software to comply with timely reporting. Navision has inherent feature that entry once posted cannot be edited/deleted.
- 44 As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended from time to time), 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 the Holding Company exceeds the total Provision required under IRACP (including Standard Asset provisioning), as at March 31, 2024 and accordingly no amount is required to be transferred to impairment reserve.

45 **Capital**

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

**(i) Capital management:**

**Objective**

The Holding 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 Holding Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Holding Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

**Planning**

The Holding 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 Holding 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, 2024	As at March 31, 2023
CRAR - Tier I capital (%)	43.88%	49.94%
CRAR - Tier II capital (%)	0.88%	0.93%
CRAR (%)	44.76%*	50.87%

\* Reserve Bank of India (RBI) vide circular dated November 16, 2023 on Regulatory measures towards consumer credit and bank credit to NBFCs increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 986 bps on CRAR. On risk weight of 100%, capital adequacy ratio (including Tier-II capital) stood at 54.62% as on March 31, 2024

The CRAR is computed as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended from time to time)

In order to achieve this overall objective, the Holding 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, 2024 and March 31, 2023.

46 **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)  
 Claims against the Group not acknowledged as debt  
 ii. Income tax (note 2)

	As at March 31, 2024	As at March 31, 2023
i. Corporate Guarantees given to banks on behalf of fellow subsidiary (note 1)	-	3,878.97
Claims against the Group not acknowledged as debt	-	2.26
ii. Income tax (note 2)	-	2.26

**Notes :**

1. The Holding Company has given corporate guarantees to banks against different facilities to its fellow subsidiary DMI Housing Finance Private Limited of Rs. Nil as at March 31, 2024 (March 31, 2023: Rs. 3,878.97 million)

2. During the financial year 21-22, the Holding Company had received an assessment order for FY 2016-17 wherein the assessing officer had 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 Holding Company had appealed before Commissioner of Income Tax-Appeal (CIT(A)) against the order. This disallowance resulted into an additional demand of Rs. 2.26 million. The Holding Company has received the order from CIT(A) in it's favour and the appeal effect of the order is yet to be provided.

**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, 2024	As at March 31, 2023
Commitments for acquisition of property, plant and equipment (net of advances)	7.17	4.05
Commitments for Intangible assets under development (net of advances)	0.47	2.90

**c. Others**

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

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

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



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs, in millions, unless otherwise stated)**

Name of related party	Nature of transactions	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
Mr. Sahib Pahwa	Remuneration	5.59	6.03
	Loan granted	7.79	-
	Options exercised	5.20	-
	Reimbursement of expenses	0.01	-
	Repayment of loan granted	7.79	-
Mrs. Bina Singh	Sitting fee	0.18	0.14
	Reimbursement of expenses	0.13	-
Mr. Yuvraja Chanakya Singh	Remuneration	61.06	42.56
	Post employment benefits	0.36	0.36
Mr. Shivashish Chatterjee	Remuneration	60.70	41.40
	Post employment benefits	0.36	0.36
	Reimbursement of expenses	7.56	-
Mrs. Jayati Chatterjee	Sitting fees	0.24	0.24
Mr. Gurcharan Das	Sitting fees	0.16	0.14
Mr. Nipender Kochhar	Sitting fees	0.26	0.24
	Loan granted	5.21	-
	Interest income on loan	0.02	-
	Warrants exercised	5.21	-
	Repayment of loan granted	5.23	-
Mr. Vivek Wadhwa*	Remuneration	11.36	-
	Reimbursement of expenses	0.06	-
Mr. Krishan Gopal	Remuneration	3.16	10.69
	Loan granted	0.81	-
	Options exercised	0.67	-
	Repayment of loan granted	0.81	-
Quickwork Technologies Private Limited	Other Expenses	10.29	5.81
Ms. Paromita Chatterjee	Consultancy Fee	1.48	1.19
Ms. Shilpi Varshney	Remuneration	1.00	-

\*Remuneration does not include post employment benefits

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

Name of related party	Nature of balances	As at	As at
		March 31, 2024	March 31, 2023
DMI Alternatives Private Limited	Employee Stock Option Plan recoverable	6.58	4.10
	Trade Receivable	33.96	26.98
	Investment in equity	-	71.63
DMI Housing Finance Private Limited	Employee Stock Option Plan payable	39.66	22.45
	Corporate Guarantee	-	3,878.97
Ganesha Fixed Income Limited	Borrowings from Non-convertible debentures	-	134.00
DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)	Investment in equity	3.58	3.48
	Investment in optionally convertible debentures	752.88	-
Amperse DMI Private Limited	Investment in compulsorily convertible preference shares	94.75	-



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**47 Reconciliation of liabilities arising from financing activities**

Particulars	Debt securities	Borrowings other than debt securities	Liability against leased assets	Total
<b>April 1, 2022</b>	<b>18,552.27</b>	<b>8,988.07</b>	<b>276.36</b>	<b>27,816.70</b>
<b>Cash flows:</b>				
- Repayment	(3,219.16)	(16,686.20)	(70.67)	(19,976.03)
- 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>23,889.34</b>	<b>242.29</b>	<b>40,969.54</b>
<b>Cash flows:</b>				
- Repayment	(19,879.53)	(27,369.22)	(78.65)	(47,327.40)
- Proceeds	11,888.82	62,808.56	-	74,697.38
<b>Non-cash</b>				
- Deferment / amortisation of upfront fees and other charges	14.96	181.43	-	196.39
- Additions during the year	-	-	77.92	77.92
- Others	-	-	23.73	23.73
<b>March 31, 2024</b>	<b>8,862.16</b>	<b>59,510.11</b>	<b>265.29</b>	<b>68,637.56</b>

Note: There is no non cash movement in investing activities except depreciation of Rs. 50.47 millions (previous year Rs. 44.35 millions) in Property, plant and Equipment.

**48 Leases**

The Holding Company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years. The Holding 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, 2024	March 31, 2023
Balance at the beginning of the year	196.35	234.95
Additions made during the year	77.92	10.27
Amortisation on right of use assets	54.79	48.87
<b>Balance at the end of the year</b>	<b>219.48</b>	<b>196.35</b>

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

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	242.29	276.36
Additions made during the year	77.92	10.27
Interest accretion for the year	23.73	26.33
Payments made during the year	(78.65)	(70.67)
<b>Balance at the end of the year</b>	<b>265.29</b>	<b>242.29</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, 2024	March 31, 2023
Depreciation expense in respect of right-of-use asset	54.79	48.87
Interest expense in respect of lease liabilities	23.73	26.33
Expense relating to short-term leases (included on other expenses)	9.76	10.76
<b>Total amount recognised in profit or loss</b>	<b>88.28</b>	<b>85.96</b>

The Holding Company's total cash outflows for leases was Rs 78.65 Millions during the year (previous year Rs 70.67 Millions)

**Maturity Analysis of Lease Liabilities**

Particulars	March 31, 2024	March 31, 2023
Upto 1 month	5.02	4.27
Over 1 month to 2 months	4.57	4.30
Over 2 months to 3 months	3.75	4.36
Over 3 months to 6 months	10.11	13.47
Over 6 months to 1 year	17.12	28.37
Over 1 year to 3 years	83.74	71.63
Over 3 years and upto 5 years	70.28	79.71
Over 5 years	70.70	36.18
<b>Total</b>	<b>265.29</b>	<b>242.29</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**49 Tax expenses**

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are :

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	2,226.24	1,523.02
Deferred tax credit	(939.20)	(397.92)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,287.04</b>	<b>1,125.10</b>

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Group is 25.17% (March 31, 2023: 25.17%) and the reported tax expense in statement of profit and loss are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	5,318.50	4,324.96
Income-tax rate	25.17%	25.17%
<b>Expected tax expense</b>	<b>1,338.56</b>	<b>1,088.51</b>
Expenditure on Corporate Social Responsibility disallowed u/s 37	9.36	4.09
Interest paid to Associated Enterprise disallowed u/s 94B	2.73	2.87
Reversal of DTA on Interest Paid to Associated Enterprise	-	31.39
Capital Expenditure disallowed u/s 37	5.64	0.63
Difference between accounting income and taxable income on investments	(62.41)	-
Differential Tax Rate on Long term capital gains	(24.07)	-
Loss on subsidiary	20.02	-
Others	(2.79)	(2.39)
<b>Tax expense</b>	<b>1,287.04</b>	<b>1,125.10</b>



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

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

Particulars	As at March 31, 2024			As at March 31, 2023		
	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	10,580.18	-	10,580.18	5,699.76	-	5,699.76
Bank balance other than cash and cash equivalents	1,014.58	148.01	1,162.59	421.78	148.47	570.25
Trade receivables	68.86	-	68.86	312.09	-	312.09
Loans	77,319.94	41,119.92	118,439.86	46,054.51	21,289.96	67,344.47
Investments	3,207.88	2,504.94	5,712.82	4,249.70	3,887.10	8,136.80
Other financial assets	1,140.98	28.92	1,169.90	984.20	105.80	1,090.00
<b>Non- financial assets</b>						
Current tax assets (net)	148.20	-	148.20	198.76	-	198.76
Deferred tax assets (net)	-	2,158.37	2,158.37	-	1,219.49	1,219.49
Property, plant and equipment	-	142.76	142.76	-	143.00	143.00
Capital work in progress	4.68	-	4.68	-	-	-
Goodwill	-	253.53	253.53	-	253.53	253.53
Right to use assets	44.49	174.99	219.48	52.61	143.74	196.35
Intangible assets	-	30.97	30.97	-	21.66	21.66
Intangible assets under development	2.54	-	2.54	8.78	-	8.78
Other non- financial assets	306.69	9.89	316.58	240.72	9.04	249.76
Assets held for sale	75.00	-	75.00	75.00	-	75.00
	<b>93,914.02</b>	<b>46,572.30</b>	<b>140,486.32</b>	<b>58,297.91</b>	<b>27,221.79</b>	<b>85,519.70</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
<b>A) Trade payables</b>						
(i) total outstanding dues of micro and small enterprises	25.33	-	25.33	8.97	-	8.97
(ii) total outstanding dues of creditors other than micro and small enterprises	1,762.91	33.67	1,796.58	1,165.75	-	1,165.75
<b>B) Other payables</b>						
(i) total outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	833.02	17.35	850.37	525.06	-	525.06
Debt securities	1,945.40	6,916.76	8,862.16	15,353.00	1,484.91	16,837.91
Borrowings (other than debt securities)	31,959.88	27,550.23	59,510.11	12,124.73	11,764.61	23,889.34
Lease liabilities	40.57	224.72	265.29	54.77	187.52	242.29
Other financial liabilities	488.74	-	488.74	226.08	57.90	283.98
<b>Non financial liabilities</b>						
Provisions	3.37	136.07	139.44	2.48	99.83	102.31
Other non-financial liabilities	434.94	4.71	439.65	257.08	4.71	261.79
<b>Equity</b>						
Equity share capital	-	7,424.87	7,424.87	-	6,567.75	6,567.75
Other equity	-	60,660.68	60,660.68	-	35,607.90	35,607.90
Non Controlling Interest	-	23.10	23.10	-	26.65	26.65
	<b>37,494.16</b>	<b>102,992.16</b>	<b>140,486.32</b>	<b>29,717.92</b>	<b>55,801.78</b>	<b>85,519.70</b>





**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**51 Risk management**

**Introduction and risk profile**

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

**(A) Liquidity risk**

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

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

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

March 31, 2024	upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Financial assets</b>									
Cash and cash equivalents	10,580.60	-	-	-	-	-	-	-	10,580.60
Bank balance other than Cash and cash equivalents	2.75	-	245.75	230.08	598.11	160.48	-	-	1,237.17
Trade receivables	24.56	6.06	38.24	-	-	-	-	-	68.86
Loans	11,957.24	11,190.64	10,511.66	26,591.65	35,050.48	45,373.32	3,798.98	1,591.20	146,065.27
Investments	686.76	342.48	357.15	979.10	1,213.71	1,847.79	807.16	517.88	6,752.03
Other financial assets	25.84	65.77	349.80	688.95	10.62	0.59	19.93	8.40	1,169.90
<b>Financial liabilities</b>									
Payables	1,028.56	506.62	177.97	731.60	176.52	51.01	-	-	2,672.28
Debt securities	-	-	344.59	230.91	2,049.54	8,021.38	-	-	10,646.42
Borrowings (other than debt securities)	4,225.10	2,256.30	4,069.67	11,469.92	13,874.96	28,517.25	1,651.53	-	66,064.68
Lease liabilities	7.23	6.74	5.88	16.33	28.84	120.91	90.29	82.64	358.86
Other financial liabilities	206.59	-	20.12	8.07	254.05	-	-	-	488.74

March 31, 2023	upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Financial assets</b>									
Cash and cash equivalents	5,699.76	-	-	-	-	-	-	-	5,699.76
Bank balance other than Cash and cash equivalents	219.10	-	24.03	0.20	178.45	148.47	-	-	570.25
Trade receivables	270.80	41.29	-	-	-	-	-	-	312.09
Loans	5,903.44	7,440.46	7,554.25	16,298.35	16,694.40	22,812.66	4,959.68	2,170.97	83,834.22
Investments	510.25	206.20	1,106.57	1,774.12	1,393.11	3,139.62	1,063.70	1,313.27	10,506.84
Other financial assets	343.73	-	314.06	322.74	3.67	81.91	-	23.89	1,090.00
<b>Financial liabilities</b>									
Payables	336.22	663.34	337.03	39.55	323.64	-	-	-	1,699.78
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	5,484.73	12,071.40	826.40	-	26,634.13
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

**(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 Group. The Group's credit risk management framework is categorized into following main components:

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

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

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

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

**Analysis of risk concentration**

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

March 31, 2024	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
<b>Financial asset</b>								
Cash and cash equivalents	10,580.18	-	-	-	-	-	-	10,580.18
Bank balance other than cash and cash equivalents	1,162.59	-	-	-	-	-	-	1,162.59
Loans - Corporate*	472.14	-	3,643.56	-	-	-	476.58	4,592.28
Loans - Consumer loans*	-	-	-	793.77	-	113,053.81	-	113,847.58
Trade receivables	48.19	-	-	-	-	-	20.67	68.86
Investments*	778.76	-	403.59	-	-	-	4,530.47	5,712.82
Other financial assets	168.39	-	-	-	-	-	1,001.51	1,169.90
<b>Total</b>	<b>13,210.25</b>	<b>-</b>	<b>4,047.15</b>	<b>793.77</b>	<b>-</b>	<b>113,053.81</b>	<b>6,029.23</b>	<b>137,134.21</b>



DMI Finance Private Limited  
Notes to Consolidated Financial Statements  
(All Amount in Rs. In millions, unless otherwise stated)

March 31, 2023	Financial services	Government	Real estate	MSME	Services and manufacturing	Retail	Others	Total
<b>Financial asset</b>								
Cash and cash equivalents	5,699.76	-	-	-	-	-	-	5,699.76
Bank balance other than Cash and cash equivalents	570.25	-	-	-	-	-	-	570.25
Loans - Corporate*	49.85	-	8,303.82	-	459.17	631.29	13.14	9,457.27
Loans - Consumer loans*	-	-	-	579.75	-	57,307.45	-	57,887.20
Trade receivables	-	-	-	-	-	312.09	-	312.09
Investments*	693.23	-	618.03	-	3,225.26	-	3,600.28	8,136.80
Other financial assets	248.40	-	-	-	-	-	841.60	1,090.00
<b>Total</b>	<b>7,261.49</b>	<b>-</b>	<b>8,921.85</b>	<b>579.75</b>	<b>3,684.43</b>	<b>58,250.83</b>	<b>4,455.02</b>	<b>83,153.37</b>

\*Net of Impairment Loss Allowance

(C) Market risk

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

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

Total market risk exposure

Particulars	As at March 31, 2024	As at March 31, 2023	Primary risk sensitivity
<b>ASSETS</b>			
<b>Financial assets</b>			
Investments (Other than credit substitutes)**	1,635.77	4,084.59	Equity price
Credit substitutes and pass through certificate**	4,480.62	5,169.38	Interest rate
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Debt securities	8,862.16	16,837.91	Interest rate
Borrowings (other than debt securities)	59,510.11	23,889.34	Interest rate

\*\* Gross of Impairment loss allowance

(i) Interest rate risk:-

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

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

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, 2024	As at March 31, 2023
Variable Rate Borrowings	52,994.37	25,373.57
Fixed Rate Borrowings	15,377.90	15,353.68

Interest rate sensitivity

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

Particulars	Effect on net profit	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Decrease in 50 basis points	171.08	71.54
Increase in 50 basis points	(171.08)	(71.54)

(ii) Equity price risk

Equity price risk is the risk that the fair value of equities changes as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Group's FVOCI equities at 31 March 2024 would have increased equity by Rs. 117.60 millions (Previous year: Rs. 330.83 millions). An equivalent decrease would have resulted in an equivalent but opposite impact. Further, A 10 per cent increase in the value of the Group's FVTPL equities at 31 March 2024 would have increased profits by Rs. 36.50 millions (Previous year: Rs. 22.70 millions). An equivalent decrease would have resulted in an equivalent but opposite impact.

(iii) Foreign Currency risk exposure

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign currency fluctuation risk for its foreign currency receivables.

(a) The foreign currency exposures for the year ended are as follows:

Particulars	As at March 31, 2024*		As at March 31, 2023*	
	Total	Unhedged	Total	Unhedged
Trade Receivables (INR - in millions)	1.46	1.46	-	-
Trade Receivables (USD - in millions)	0.02	0.02	-	-

\* Including indirect taxes

Note: There is no hedged foreign currency exposure

(b) Sensitivity Analysis

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Decrease by 1%	(0.01)	-
Increase by 1%	0.01	-



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**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 Group'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 2024				31 March 2023			
	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	365.01	-	-	365.01	443.10	-	-	443.10
Equity shares in Azad Engineering Private Limited	-	-	-	-	-	-	227.04	227.04
<b>Total financial investment measured at FVTPL</b>	<b>365.01</b>	<b>-</b>	<b>-</b>	<b>365.01</b>	<b>443.10</b>	<b>-</b>	<b>227.04</b>	<b>670.14</b>
<i>Financial investments measured at FVOCI</i>								
Credit Substitutes	-	-	213.39	213.39	-	-	537.43	537.43
Compulsory convertible debentures of Flash Electronics India Private Limited	-	-	-	-	-	-	1,560.00	1,560.00
Compulsory convertible debentures of Biorad Medisys Private Limited	-	-	-	-	-	-	600.27	600.27
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	-	-	34.50	34.50	-	-	34.50	34.50
Compulsorily convertible preference shares in Saarathi Finbiz Private Limited	-	-	160.01	160.01	-	-	-	-
7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited) of face value of Rs 1,00,000 each	-	-	752.88	752.88	-	-	-	-
<b>Loans</b>								
Non-convertible debentures - unquoted	-	-	104.87	104.87	-	-	137.80	137.80
<b>Equity Instruments</b>								
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	-	-	3.58	3.58	-	-	3.48	3.48
Alchemist Asset Reconstruction Company Limited	-	-	219.24	219.24	-	-	215.76	215.76
Flash Electronics Private Limited	-	-	-	-	-	-	818.97	818.97
Radiant Polymers Private Limited	-	-	-	-	-	-	100.10	100.10
<b>Other Instruments</b>								
Units of DMI AIF Special Opportunities Scheme	-	-	5.80	5.80	-	-	9.73	9.73
<b>Total financial investments measured at FVOCI</b>	<b>-</b>	<b>-</b>	<b>1,494.27</b>	<b>1,494.27</b>	<b>-</b>	<b>-</b>	<b>4,018.04</b>	<b>4,018.04</b>
<b>Total financial assets measured at fair value</b>	<b>365.01</b>	<b>-</b>	<b>1,494.27</b>	<b>1,859.28</b>	<b>443.10</b>	<b>-</b>	<b>4,245.08</b>	<b>4,688.18</b>



## Valuation techniques

### Financial instruments measured at FVTPL

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, 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, 2024 and March 31, 2023

### 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	Total
<b>At April 01, 2022</b>	<b>1,013.10</b>	<b>10.10</b>	<b>194.11</b>	<b>514.24</b>	<b>367.91</b>	<b>1,779.56</b>	<b>434.44</b>	<b>34.50</b>	<b>4,347.96</b>
Purchase	1,112.15	-	-	-	-	600.00	-	-	1,712.15
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	55.87	21.50	99.15	22.5	-	199.02
Sales / settlements	(376.20)	-	(194.11)	(22.54)	(257.16)	(746.71)	(581.32)	-	(2,178.04)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	(199.11)	-	-	-	5.55	5.46	124.38	-	(63.72)
Gains / loss for the period recognized in the other comprehensive income	(184.59)	(0.37)	-	(10.14)	-	422.81	-	-	227.71
<b>At March 31, 2023</b>	<b>1,365.35</b>	<b>9.73</b>	<b>-</b>	<b>537.43</b>	<b>137.80</b>	<b>2,160.27</b>	<b>-</b>	<b>34.50</b>	<b>4,245.08</b>
Purchase	45.00	-	-	-	-	-	750.00	160.01	955.01
Change in classification	-	-	-	-	-	-	-	-	-
Income Accrued	-	-	-	32.28	14.99	108.58	2.88	-	158.73
Sales / settlements	(1,270.55)	(5.23)	-	(356.32)	(47.92)	(2,274.32)	-	-	(3,954.34)
Transfers into Level 3	-	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-	-
Gains / loss for the period recognized in the Statement of Profit and Loss	89.54	-	-	-	-	5.47	-	-	95.01
Gains / loss for the period recognized in the other comprehensive income	(6.52)	1.30	-	-	-	-	-	-	(5.22)
<b>At March 31, 2024</b>	<b>222.82</b>	<b>5.80</b>	<b>-</b>	<b>213.39</b>	<b>104.87</b>	<b>-</b>	<b>752.88</b>	<b>194.51</b>	<b>1,494.27</b>

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



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**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, 2024	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	3.58	Net Worth of Investee Company	Instrument price
7,500 Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Compulsorily convertible preference shares in in Alchemist Asset Reconstruction Company Limited)	752.88	Discounted Cash Flows of Instrument	Discount margin / spread
Compulsorily convertible preference shares in Saarthi Finbiz Private Limited	34.50	Discounted Projected Cash Flows	Instrument price
Equity shares in Alchemist Asset Reconstruction Company Limited	160.01	Adjusted Backsolve Method	Enterprise value
Credit Substitutes	219.24	Discounted Projected Cash Flows	Discount margin / spread
Non-convertible debentures - unquoted	213.39	Discounted Projected Cash Flows	Discount margin / spread
Units of DMI AIF Special Opportunities Scheme	104.87	Discounted Projected Cash Flows	Discount margin / spread
	5.80	Assets under management of units of respective class of Investee Fund	Instrument price
<b>Total</b>	<b>1,494.27</b>		

March 31, 2023	Fair value of Level 3 assets	Valuation technique	Significant unobservable inputs
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as 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
Compulsorily convertible preference shares in in Alchemist Asset Reconstruction Company Limited	34.50	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
<b>Total</b>	<b>4,245.08</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**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

**Sensitivity of fair value measurements to changes in unobservable market data**

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

Particulars	March 31, 2024		March 31, 2023	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
<b>Instruments measured through FVTPL</b>				
Equity shares of Azad Engineering Private Limited	-	-	22.70	(22.70)
<b>Total (A)</b>	-	-	<b>22.70</b>	<b>(22.70)</b>
<b>Instruments measured through FVTOCI</b>				
Equity shares in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	0.36	(0.36)	0.35	(0.35)
Equity shares in Alchemist Asset Reconstruction Company Limited	21.92	(21.92)	21.58	(21.58)
Credit Substitutes	21.34	(21.34)	53.74	(53.74)
Non-convertible debentures - unquoted	10.49	(10.49)	13.78	(13.78)
Compulsory convertible debentures of Biorad Medisys Private Limited	-	-	60.03	(60.03)
Equity shares in Flash Electronics Private Limited	-	-	81.90	(81.90)
Compulsory convertible debentures of Flash Electronics Private Limited	-	-	156.00	(156.00)
Equity shares in Radiant Polymers	-	-	10.01	(10.01)
Units of DMI AIF Special Opportunities Scheme	0.58	(0.58)	0.97	(0.97)
Compulsory convertible preference shares in Alchemist Asset Reconstruction Company Limited	3.45	(3.45)	3.45	(3.45)
Optionally convertible debentures in DMI Infotech Solutions Private Limited (Formerly known as DMI Consumer Credit Private Limited)	75.29	(75.29)	-	-
Compulsorily convertible preference shares in Saarathi Finbiz Private Limited	16.00	(16.00)	-	-
<b>Total (B)</b>	<b>149.43</b>	<b>(149.43)</b>	<b>401.81</b>	<b>(401.81)</b>
<b>Total (A+B)</b>	<b>149.43</b>	<b>(149.43)</b>	<b>424.51</b>	<b>(424.51)</b>

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

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

**Investments - At amortised cost**

These includes Credit substitutes & corporate loans, pass through certificates. 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**  
**Notes to Consolidated Financial Statements**  
**(All Amount in Rs. In millions, unless otherwise stated)**

- 53 (a) Previous year/periods figures have been regrouped/rearranged to make them comparable with the current year/period classification in accordance with amendments in Schedule III.
- 53 (b) There are no event observed after the reported period which have an impact on the Group's operations.
- 53 (c) The financial statements were approved for issue by Board of Directors on May 16 , 2024.

53 (d) Disclosure on significant ratios:

Particulars	Description	As at March 31, 2024	As at March 31, 2023
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities))/Total equity]	1.00	0.97
Net profit margin	Net profit after tax / total revenue from operations	15.19%	19.47%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities))/Total assets]	48.67%	47.62%
Gross Non-Performing Assets	Gross Stage III loans EAD / Gross total loans EAD	2.61%	3.60%
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 )	1.58%	1.50%
Asset cover ratio (no. of times)*	Amount of secured assets / Secured debt	1.25	1.28
Provision coverage ratio (%)	(Impairment loss allowance for Stage III/ Gross Stage III loans EAD )	40.11%	59.31%

\*It is calculated for listed debt securities

54 Other Statutory Information

- 1 During the current financial year, the Group has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- 2 No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2024.
- 3 There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income tax act, 1961.
- 4 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5 The Group 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 Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 6 The Group 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 Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 7 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 Group 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 Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 8 The Group 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, 2024 and March 31, 2023.
- 9 There are no transactions of undisclosed income not recorded in the books of accounts.
- 10 No proceedings have been initiated or pending against the Group 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, 2024 and March 31, 2023.
- 11 The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.
- 12 The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.
- 13 No proceedings have been initiated or pending against the Group 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, 2024 and March 31, 2023.



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

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

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
DMI Finance Private Limited	99.13%	68,159.28	103.15%	4,166.38	38.14%	0.37	103.13%	4,166.75
<b>Subsidiaries</b>								
DMI Capital Private Limited	0.55%	377.97	(0.24%)	(9.88)	53.61%	0.52	(0.23%)	(9.36)
DMI Management Services Private Limited	0.00%	-	(0.01%)	(0.34)	0.00%	-	(0.01%)	(0.34)
Appnit Technologies Private Limited	0.32%	220.82	(1.47%)	(59.57)	8.25%	0.08	(1.47%)	(59.49)
<b>Associate (Investment as per equity method)</b>								
DMI Alternatives Private Limited	0.00%	-	(0.52%)	(20.99)	0.00%	-	(0.52%)	(20.99)
Ampverse DMI Private Limited	0.00%	-	(0.90%)	(36.45)	0.00%	-	(0.90%)	(36.45)
<b>Total</b>	<b>100.00%</b>	<b>68,758.07</b>	<b>100.0%</b>	<b>4,039.15</b>	<b>100.00%</b>	<b>0.97</b>	<b>100.00%</b>	<b>4,040.12</b>
Adjustments arising out of consolidation		(672.52)		(65.13)		-		(65.13)
<b>Total</b>		<b>68,085.55</b>		<b>3,974.02</b>		<b>0.97</b>		<b>3,974.99</b>

**56 Segment information**

The Joint Managing Directors (Chief Operating Decision Makers) review the operations at the Group level. The operations of the Group 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 Group operates in a single geographical segment, i.e., domestic.

**57 Events occurring after reporting date**

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

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

*Manish*  
 Manish Surana  
 Partner  
 Membership No. 503812



Place: Gurugram  
 Date: May 16, 2024

For and on behalf of the Board of Directors of  
 DMI Finance Private Limited  
 CIN: U64990DL2008PTC182749

*Shivashish*  
 Shivashish Chatterjee  
 (Jt. Managing Director)  
 DIN: 02623480

Place: New York  
 Date: May 16, 2024

*Jatinder Pal Singh Bhasin*  
 Jatinder Pal Singh Bhasin  
 (Interim Chief Financial Officer)  
 Place: New Delhi  
 Date: May 16, 2024

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

Place: New Delhi  
 Date: May 16, 2024







**Details of Debenture Trustee of DMI Finance Private Limited:**

Name of the Debenture Trustee	Axis Trustee Services Limited
Address	The Ruby, 2nd Floor, SW 29 Senapati Bapat Marg, Dadar, West Mumbai-400028, Maharashtra, India
Email	debenturetrustee@axistrustee.com
Telephone No.	022-62300451
Website	www.axistrustee.com

Registered Office:  
Express Building, 3rd Floor,  
9-10, Bahadur Shah Zafar  
Marg, New Delhi-110002  
T: +91 11 41204444  
F: +91 11 41204000  
email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)  
U64990DL2008PTC182749

**For DMI Finance Private Limited**

**Sd/-**  
**Yuvraja Chanakya Singh**  
**Jt. Managing Director**  
**DIN: 02601179**  
**Express Building, 3rd Floor, 9-10 Bahadur**  
**Shah Zafar Marg, New Delhi 110002**

## DIRECTOR'S REPORT

Dear Members,

### DMI Finance Private Limited

The Board of Directors (“Board”) of DMI Finance Private Limited (“DMI/Company”) are pleased to present their 16<sup>th</sup> Director’s Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2024. This Report read with the Management Discussion and Analysis included details of the macroeconomic scenario, Company’s performance and various initiatives taken by the Company.

### OVERVIEW

The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company and categorized as a NBFC - Investment and Credit Company (NBFC-ICC) as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 with the Reserve Bank of India ("RBI") having NBFC registration No. N-14.03176 pursuant to letter no. DNBS.ND.No.4624/Regn.New/ 04.04.004/2008-09 dated January 7, 2009 issued by the RBI. The Company is categorized as a Middle Layer NBFC ('ML-NBFC') under the said Master Direction.

Further, the Company is also registered as an intermediary within the meaning of Insurance Regulatory and Development Authority of India ('IRDAI') as a Corporate Agent.

### FINANCIAL RESULTS

The Standalone and Consolidated financial highlights of your Company are as follows:

#### Consolidated Financials

Particulars	Consolidated	
	March 31, 2024	March 31, 2023
Revenue from Operations	26,544.58	16,437.86
Other Income	195.59	182.56
<b>Total Income</b>	<b>26,740.17</b>	<b>16,620.42</b>
Total Expenditure	21,421.67	12,295.46
<b>Profit/(Loss) before Taxation</b>	<b>5,318.50</b>	<b>4,324.96</b>
Tax Expenses/(Credits)	1,287.05	1,125.10
<b>Profit/(Loss) for the year</b>	<b>4,031.46</b>	<b>3,199.86</b>
Share of Profit of Associate	(57.44)	(54.67)
<b>Net profit after taxes and Share in profit of Associate</b>	<b>3,974.02</b>	<b>3,145.19</b>
Capital Redemption Reserve	81.21	81.21
Reserve Fund u/s Sec 45 IC of RBI Act, 1934	2,574.33	1,741.05
Balance in Profit/(Loss) Account in balance sheet (Retained Earnings)	9,977.52	6,833.23

#### Standalone Financials

Particulars	Standalone	
	March 31, 2024	March 31, 2023
Revenue from Operations	26,467.79	16,372.16
Other Income	219.50	192.90

<b>Total Income</b>	<b>26,687.29</b>	<b>16,565.06</b>
Total Expenditure	21,211.23	12,186.48
<b>Profit/(Loss) before Taxation</b>	<b>5,476.06</b>	<b>4,378.58</b>
Tax Expenses/(Credits)	1,309.68	1,138.42
<b>Profit/(Loss) after Taxation</b>	<b>4,166.38</b>	<b>3,240.16</b>
Capital Redemption Reserve	81.21	81.21
Reserve Fund u/s Sec 45 IC of RBI Act, 1934	2,574.33	1,741.05
Balance in Profit/(Loss) Account in balance sheet (Retained Earnings)	10,075.77	6,742.67

## **FINANCIAL PERFORMANCE OF THE COMPANY**

The Company during the financial year 2023-24 has shown tremendous growth and progression and continuous to further upscale its business operations, creativity and its vision. Some of the important financial parameters of the Company are mentioned below for your reference:

*(₹ in Million)*

<b>Particulars</b>	<b>March 2024</b>	<b>March 2023</b>
Total Revenue	26,687.29	16,565.06
Total Expenses	21,211.23	12,186.48
PAT	4,166.38	3,240.16
CRAR	*44.76%	50.87%
GNPA	3,226.26	2,706.39
NNPA	1,932.33	1,101.28
Net Owned Funds	64,764.41	38,997.43

\* Reserve Bank of India (RBI) vide circular dated November 16, 2023 on Regulatory measures towards consumer credit and bank credit to NBFCs increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 986 bps on CRAR. On risk weight of 100%, capital adequacy ratio (including Tier-II capital) stood at 54.62% as on March 31, 2024.

The Company ensures that in future, with planned strategies and risk control measures to maintain a stable rate of performance and achieves positive and incremental growth in its loan portfolio.

### **Expected Credit Loss (ECL)**

In accordance with Indian Accounting Standards ('Ind AS') 109, the Company measures Expected Credit Losses (ECL) on its financial instruments and has an adequate process to assess credit risk of all exposures at each year end. Accordingly, the Company has created adequate ECL provisioning as required. Details of the same are part of the notes to the accounts of the audited financials for the period ended March 31, 2024.

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 the relationship between key economic trends like Gross Domestic Product ('GDP'), Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of Probability of Default ('PD'), Loss Given Default ('LGD') determined by the Company based on its internal data. While the internal estimates of PD and 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.

The Company had also duly complied with the prudential norms on provisioning requirement as prescribed by the Reserve Bank of India (from time to time) for Standard Loan Asset (category-wise) & for Doubtful-assets (if any)

## **DIVIDEND**

During the year under review, no interim dividend was declared by the Board. Further, considering the capital-intensive nature of the business, the business plan of the Company and with a view to plough back the profits, your Board has not recommended dividend for the Financial Year ended March 31, 2024 for consideration of the members at the ensuing Annual General Meeting ('AGM') in order to build a strong base for its long-term growth.

## **AMOUNT PROPOSED TO BE CARRIED TO RESERVES**

The details of the transfer to other reserves as part of regulatory requirements are given below:

### **Regulatory Reserve u/s 45 (1C) of RBI Act:**

In accordance with the provisions of section 45-1C of the Reserve Bank of India ('RBI') Act, 1934, the Company is required to transfer a sum not less than 20% of its net profit every year to reserve fund, to its Statutory Reserve. During the current year, ₹ 833.28 Million were transferred to the statutory reserve.

The break-up of the amounts/profits proposed to be carried to reserves for FY 2023-24, is set out herein below:

<i>(₹ in Million)</i>		
<b>Particulars</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
Reserve Fund u/s Sec 45 IC of RBI Act, 1934	833.28	648.03

## **STATE OF COMPANY AFFAIRS**

### **Share Capital**

During FY 2023-24, the issued, subscribed and paid-up share capital of the Company underwent following changes:

- A. **Authorised Share Capital:** During the period under review, there was no change in the authorized share Capital of the Company.
- B. **Changes in Issued, Subscribed and Paid-Up Share Capital:** The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2024 was ₹7,42,48,67,466. Further, during the year under review, the Company raised equity capital for an amount aggregating to ₹ 21,322.37 Million from the existing/new shareholder. The details of such an equity raise during the FY 2023-24 are as under:

### ***Allotment of equity raised:***

<b>S.No</b>	<b>Particulars of the Issue</b>	<b>Date of allotment</b>	<b>No. of equity shares allotted</b>	<b>Amount Invested (In ₹)</b>
1	Issue of equity shares on Private Placement Basis	April 13, 2023	73,830,443	19,135,374,216.74
2	Issue of equity shares on Private Placement Basis	April 13, 2023	8,438,151	2,186,999,976.00
	<b>Total</b>		<b>82,268,594</b>	<b>21,322,374,192.74</b>

***Allotment of equity to Employees on exercise of stock options as per the Employee Stock Option Plan (ESOP):***

The ESOP liquidation event took place during the year and the employees of the company who had received ESOP during their employment in the company were given an opportunity to liquidate their ESOPs.

In accordance with the provisions of DMI Employee Stock Option Plan, 2018 (as amended from time to time), the details of issuance of equity shares on the ESOP liquidation during the FY 2023-24 are provided hereunder:

<b>Particulars</b>	<b>Date of allotment of equity shares on exercise of stock options</b>	<b>No. of equity shares allotted on exercise of stock options</b>	<b>Total consideration (INR)</b>
Issue of equity shares on the exercise of stock options by employees of the Company	June 17, 2023	27,83,477	21,04,98,135.00
	November 07, 2023	1,177	2,50,466.00
	<b>Total</b>	<b>27,84,654</b>	<b>21,07,48,601.00</b>

***Allotment of equity to Employees on exercise of Convertible Share Warrants:***

The Company during the financial year under review, allotted equity shares on the conversion of the Convertible Share Warrants held by Directors/Consultants/Employees of the Company/Group Company in accordance with the terms of Warrant Subscription Agreement executed between the Company and the Warrant Holders.

The details of conversion of Convertible Share Warrants into equity shares are herein provided as under:

<b>Particulars</b>	<b>Date of allotment of equity shares on conversion of the Convertible Share Warrants</b>	<b>No. of equity shares allotted on conversion of the Convertible Share Warrants</b>	<b>Total consideration (INR)</b>
Issue of equity shares on the conversion of the Convertible Share Warrants	April 25, 2023	46,000	52,13,640.00
	May 05, 2023	5,86,539	6,64,78,348.00
	June 17, 2023	25,000	28,33,500.00
	November 07, 2023	1,079	1,21,776.00
	<b>Total</b>	<b>6,58,618</b>	<b>7,46,47,264.00</b>

Pursuant to the aforementioned changes in the capital structure of the Company, the paid-up share of the Company stood at ₹ 7,424.87 Million as on March 31, 2024.

**BORROWING PROFILE**

The Company maintained an optimum mix of borrowings between bank term loans and capital markets. During the financial year 2023-24, the Company raised debt by means of borrowing from various Banks and Financial Institutions.

During the year under review, the Company had raised ₹ 45,310 Million by availing the fresh term loan facilities and demand loans /cash credit facilities from various Banks and Financial institutions and the details of these are provided below:

S. No.	Type of Security	Secured/Unsecured	Security, if any	Amount (₹ in Mn)
1	Term Loans / Demand Loans	Secured	Hypothecation of Book Debt of the Company	45,310.00

The Company has been able to maintain strong relationships and raise funds through public sector banks, private sector banks and NBFCs like State Bank of India, Bank of Maharashtra, Bank of Baroda, HDFC Bank, IndusInd Bank, MUFG, Bajaj Finance, Poonawalla Fincorp and others. The Company is actively trying to establish new relationships with large public and private sector banks, capital market entities to diversify its borrowing profile. Further as on March 31, 2024, total outstanding Term Loan/Working Capital Demand Loans (WCDL)/Overdraft (OD)/Cash Credit (CC) borrowings of the Company stood at ₹ 52,489.91 Million.

The total outstanding by way of debt securities of the Company as on March 31, 2024, stood at ₹8,862.16 Million which includes Non-Convertible Debentures, Market Linked Debentures and Commercial Paper.

Further, the Company issued Non-Convertible Debentures (NCDs) amounting to ₹7,140 Million. The details of the NCDs issued during the FY24 are as follows:

S. No	NCDs	Sanction Date	Sanctioned Amount (₹ in millions)
1	INE604O07175	28-11-2023	2,000.00
2	INE604O07183	24-01-2024	500.00
3	INE604O08132	12-03-2024	4,640.00

During the year, the Company also ventured out in the Securitization market to issue Pass-Through-Certificates (PTC) and raised ₹ 9,122.15 Million through PTC, details of which are given below:

S. No.	Securitization Trust Name	ISIN	Amount raised (₹ in millions)
1	PLUM 24-1	INE0Q4T15012 and INE0Q4T15020	830.02
2	PLUM 24-2	INE0QFF15014	649.09
3	PLUM 24-3	INE0R0A15019 and INE0R0A15027	1,504.46
4	PLUM 24-4	INE0RHL15016 and INE0RHL15024	1,272.38
5	PLUM 24-5	INE0RUP15010 and INE0RUP15028	977.60
6	PLUM 24-6	INE0SNU15013	514.28
7	PLUM 24-7	INE0T7315019 and INE0T7315019	1,862.79
8	PLUM 24-10	INE0V5F15011 and INE0V5F15029	483.34
9	PLUM 24-11	INE0UT815015	1,028.20
	<b>Total</b>		<b>9,122.15</b>

The Company also raised Commercial Papers amounting to ₹280 Crores during the financial year under review.

To summarize, the borrowing mix of the Company consisting of Term Loans, Working Capital, Cash Credit limits, Debentures, Commercial Papers and Securitization stood as follows as on March 31, 2024:

S. No.	Type of Security	Amount outstanding (₹ in Million)	% of total borrowings outstanding as on March 31, 2024
1	Term Loans/WCDL	52,377.03	76.61%
2	CC / OD	112.88	0.17%
3	Non-Convertible Debentures	7,122.07	10.42%
4	Market Linked Debentures	1,494.65	2.19%
5	Commercial Paper	245.44	0.36%
6	Securitization	7,019.37	10.27%
	<b>Total</b>	<b>68,371.44</b>	<b>100.00 %</b>

### **CREDIT RATING**

The Company's credit rating by various credit rating agencies as on March 31, 2024 are enumerated below as follows:

Name of the rating agency	Amount (in ₹Crores)	Rating as on 31st March 2024	Type of facility
ICRA Ratings	90.53	[ICRA]AAA(SO)	PTC Series A1 (PLUM-I)
ICRA Ratings	77.27	[ICRA]AAA(SO)	PTC Series A1 (PLUM-II)
ICRA Ratings	149.12	[ICRA]AAA(SO)	PTC Series A1 (PLUM-III)
ICRA Ratings	83.00	[ICRA]AA(SO)	PTC Series A1 (PLUM24-1)
ICRA Ratings	64.91	[ICRA]AA(SO)	PTC Series A1 (PLUM24-2)
ICRA Ratings	150.45	[ICRA]AA(SO)	PTC Series A1 (PLUM24-3)
ICRA Ratings	127.24	[ICRA]AA(SO)	PTC Series A1 (PLUM24-4)
ICRA Ratings	97.76	[ICRA]AA(SO)	PTC Series A1 (PLUM24-5)
ICRA Ratings	51.43	[ICRA]AA+(SO)	PTC Series A1 (PLUM24-6)
ICRA Ratings	186.28	[ICRA]AA(SO)	PTC Series A1 (PLUM24-7)
ICRA Ratings	48.33	[ICRA]AA+(SO)	PTC Series A1 (PLUM24-10)
ICRA Ratings	104.07	[ICRA]AA+(SO)	PTC Series A1 (PLUM24-11)
CARE Ratings	285.00	NA	Long-term bank facilities
CARE Ratings	50.00	NA	Non-Convertible Debentures
ICRA Ratings	150.00	PP-MLD[ICRA]AA (Stable)	Long-term Market Linked Debentures
ICRA Ratings	600.00	[ICRA]A1+	Commercial paper
ICRA Ratings	5,962.00	[ICRA]AA (Stable)	Long-term fund-based Term Loan/ Cash Credit / Non-Fund based others
ICRA Ratings	835.00	[ICRA]AA (Stable)	Non-convertible debentures
ICRA Ratings	97.88	NA	PTC Series A (MOST-I)
Brickwork Ratings	50.00	NA	Non-convertible debentures

## **EMPLOYEE STOCK OPTION**

Human Resources are key to the growth and success of an organization, more so in financial services industry. It is therefore imperative to align the interests of the employees and shareholders of the Company. Employee Stock Option schemes have been universally accepted as retention and wealth creation tool.

During the financial year under review, 74,741 stock options were exercised by employees of the Company at the exercise price prescribed under various applicable ESOP schemes of the Company and in accordance with the provisions of the DMI ESOP Plan 2018 (as amended from time to time), subsequent to which equity shares of face value of Rs. 10 each were allotted to such employees of the Company.

The disclosures required as per Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 with respect to ESOP issued by the Company during the year under review are given below:

- (a) Options granted: **2,40,03,570**
- (b) Options vested: **2,13,13,374**
- (c) Options exercised: **27,83,477**
- (d) Total number of shares arising as a result of exercise of option: **27,83,477**
- (e) Options lapsed: **25,13,213**
- (f) Exercise price: **As per various ESOP Schemes of the Company**
- (g) Variation of terms of options: **NIL**
- (h) Money realized by exercise of options: **₹ 21,04,98,086**
- (i) Total number of options in force: **1,62,14,131**
- (j) Employee wise details of options granted during the year:
  - (i) Key managerial personnel:
    - Company Secretary- **81,379**
    - Chief Financial Officer- **2,00,000**
  - (ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year: **NIL**
  - (iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grants: **NIL**

## **CORPORATE GOVERNANCE REPORT**

Pursuant to Section II of Annexure VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Corporate Governance Report for the year under review is annexed with the Board Report as **Annexure-A** and forms part of the Annual Report.

## **DIRECTORS' AND KEY MANAGERIAL PERSONNEL**

### **Board Composition:**

The composition of the Board follows the applicable provisions of the Companies Act, 2013, (“Act”) and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws inter alia with respect to appointment of women director and non-executive director(s).

During the year under review, Mr. Masakazu Osawa was appointed as a Nominee Director on the Board and Member of the Committees of the Board with effect from May 22, 2023 and Mr. Gaurav Burman resigned from the office of Nominee Director with effect from November 24, 2023.

Additionally, as on date of this Report, the Company has 9 (Nine) directors including Ms. Naomi Koike Hauser who was appointed as Additional director in the category of Nominee Director of the Company on



April 13, 2024. Her appointment was regularized by the shareholders of the Company at the Extra-Ordinary General Meeting of the Company held on July 12, 2024.

## **COMMITTEES OF THE BOARD AND THEIR COMPOSITION**

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. The Company has complied with the constitution of all statutory Committees, namely, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Asset Liability Committee, Corporate Social Responsibility Committee, IT Strategy Committee, and IT Steering Committee.

The composition of these Committees as on March 31, 2024 is provided below. Further, in accordance with Standard 9 of the Secretarial Standard-1 on “Meetings of the Board of Directors”, the details on the number and dates of meetings of the Committees held during the financial year 2023-24 indicating number of meetings attended by each Director is given specifically in the Corporate Governance Report annexed as **Annexure-A** which forms part of this Board Report.

### **Audit Committee (AC)**

- recommend appointment, remuneration and terms of appointment of auditors of the Company and review and monitor the auditor’s independence and performance, and effectiveness of audit process; examination of the financial statement and the auditors’ report.
- 4 (Four) Audit Committee Meetings were held during the financial year 2023-24 viz. on May 18, 2023, August 11, 2023, November 02, 2023 and February 07, 2024.

### **Risk Management Committee (RMC)**

- Adhere to the Risk Management Practices as prescribed and monitor the progress of the Risk Control Matrix as approved by the Board.

4 (Four) Risk Management Committee Meetings were held during the financial year 2023-24 viz. on May 25, 2023, August 10, 2023, December 05, 2023 and March 24, 2024.

### **Nomination and Remuneration Committee (NRC)**

- To ensure that the general character of the management shall not be prejudicial to the interest of its present and future stakeholders and envisages ensuring the ‘fit and proper’ status of proposed or existing Directors.
- 6 (Six) Nomination and Remuneration Committee Meeting were held during the financial year 2023-24 viz. on April 01, 2023, April 13, 2023, June 30, 2023, August 14, 2023, September 25, 2023 and December 15, 2023.

### **Asset Liability Committee (ALCO)**

- To attend to aspects relating to Asset Liability Management such as availability of adequate funding for projected disbursements.
- 2 (Two) Asset Liability Committee Meetings were held during the financial year 2023-24 viz. on August 14, 2023 and February 07, 2024.

### **Corporate Social Responsibility Committee (CSR)**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company including the activities as specified in Schedule VII of Companies Act, 2013.
- 2 (Two) Corporate Social Responsibility Committee Meetings were held during the financial year 2023-24 viz. on May 16, 2023 and November 27, 2023.

### **IT Strategy Committee**

- Approving IT strategy and policy documents and ascertaining that management has implemented processes and practices.
- 3 (Three) IT Strategy Committee Meetings were held during the financial year 2022-23 viz. on May 19, 2022, September 28, 2022 and February 14, 2023.

### **IT Steering Committee**

- The Committee shall provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

2 (Two) IT Steering Committee Meetings were held during the financial year 2023-24 viz. on August 14, 2023 and February 07, 2024.

### **Stakeholders' Relationship Committee:**

- The Company is a High-Value Debt Listed Company effective from March 12, 2024 and is required to comply with the provisions of Regulation 15 to 27 ("Corporate Governance Provisions") of SEBI Listing Regulations on a 'comply or explain' basis until March 31, 2025 as per the Regulation 15 of SEBI Listing Regulations. The Company is in the process of streamlining the compliances under Regulations 15 to 27 and accordingly, is in the process of constituting the Stakeholders' Relationship Committee of the Board.

### **GENERAL MEETINGS**

#### **Annual General Meeting:**

During the year under review, the Annual General Meeting of the Company for the Financial Year ended March 31, 2023 was held on September 28, 2023.

#### **Extra-ordinary General Meeting(s):**

During the year under review, three (3) Extra-ordinary General Meeting(s) (EGM) of the Company were held. The Members accorded their approval in the requisite manner for the matters taken in the respective EGMs.

<b>S. No.</b>	<b>Type of Meeting (Annual / Extra-Ordinary)</b>	<b>Date &amp; Place</b>	<b>Special resolutions passed</b>
1.	Annual General Meeting	<b>Date of the meeting</b> -September 28, 2023 <b>Place of the meeting</b> -Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	1. Adoption of Annual Audited Standalone and Consolidated Financial Statements as on March 31, 2023 2. Re-appointment of Statutory Auditors of the Company 3. To Regularize the appointment of Mr. Masakazu Osawa as a Nominee Director of the Company
2.	Extra-Ordinary Meeting	<b>Date of the meeting</b> - April 13, 2023 <b>Place of the meeting</b> -Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	Amendment in Articles of Association of the Company
3.	Extra-Ordinary Meeting	<b>Date of the meeting</b> -June 26, 2023 <b>Place of the meeting</b> -Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	Approve the alteration of Object Clause of Memorandum of Association
4.	Extra-Ordinary Meeting	<b>Date of the meeting</b> -March 01, 2024 <b>Place of the meeting</b> -Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi- 110002	To Increase the Borrowing Limit up to Rs. 20,000 Crores for the Financial Year 2024-25

#### **DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013**

There was no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards. However, the following penalties/fines were levied on the Company during the period under review.

#### **DETAILS OF PENALTIES AND STRICTURES**

The following penalties were imposed on the Company during financial year 2023-24, for which adequate disclosure have been made in the audited annual financial statements as at March 31, 2024:

- 1) A Late Submission Fee (LSF) of Rs. 9,000 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on April 21, 2023.
- 2) A Late Submission Fee (LSF) of Rs. 15,700 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on November 3, 2023.
- 3) A Late Submission Fee (LSF) of Rs. 8,500 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on February 16, 2024.
- 4) A Late Submission Fee (LSF) of Rs. 10,300 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on March 12, 2024.
- 5) A Late Submission Fee (LSF) of Rs. 10,300 was imposed by the Reserve Bank of India under Regulation 5 FEMA (Non-Debt) Regulation 2019 on March 21, 2024.

## **BREACH OF COVENANT**

During the financial year under review, there were no instances where breach of covenants were observed for any loan availed or debt securities issued.

## **DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING**

There were no instances of divergence in asset classification and provisioning as assessed by RBI during the year ended March 31, 2023 and March 31, 2024.

### **Director(s) Disclosure:**

As per the provisions of section 164(2) of the Companies Act, 2013 and based on the declarations and confirmations received, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of Directors and on a continuing basis, pursuant to the RBI Directions for NBFCs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company for the financial year 2023-24, which have been taken on record by the Nomination and Remuneration Committee of the Company.

Further, pursuant to the Guidelines on Compensation of Key Managerial Personnel ("KMP") and Senior Management in NBFCs issued by the RBI on April 29, 2022, the Company has adopted a Compensation Policy for KMP and Senior Management consisting of (a) constitution of a Remuneration Committee; (b) principles for fixed / variable pay structures; and (c) malus / clawback provisions.

The Compensation Policy for KMP and Senior Management of the Company is made available on the Company's website: <https://www.dmifinance.in/>

## **KEY MANAGERIAL PERSONNEL**

During the year under review, there were following changes in the composition of Key Managerial Personnel of the Company:

1. Mr. Krishan Gopal resigned from the office of Chief Financial Officer with effect from May 22, 2023.
2. Mr. Vivek Wadhwa was appointed as Chief Financial Officer with effect from August 14, 2023.
3. Mr. Sahib Pahwa resigned from the office of Company Secretary & Compliance Officer with effect from September 15, 2023.
4. Ms. Shilpi Varshney was appointed as Company Secretary with effect from September 25, 2023.
5. Ms. Shilpi Varshney resigned from the office of Company Secretary with effect from December 12, 2023.

As on March 31, 2024, Key Managerial Personnel of the Company comprises of the following:

1. Mr. Shivashish Chatterjee- Jt. Managing Directors
2. Mr. Yuvraja Chanakya Singh- Jt. Managing Directors
3. Mr. Vivek Wadhwa - Chief Financial Officer

Further, till the date of this Director's Report, the following changes have also been made in Key Managerial Personnel of the Company so far:

1. Mr. Vivek Wadhwa resigned from the office of Chief Financial Officer with effect from April 01, 2024.
2. Mr. Jatinder Bhasin has been appointed as Interim Chief Financial Officer with effect from April 25, 2024.
3. Ms. Jyoti Kheria has been appointed as Company Secretary and Compliance Officer with effect from May 16, 2024.

## **Human Resource**

The Company is a people-centric organization with a strong belief in empowering its employees and creating a culture of equality, transparency, and respect. The Company provides a nurturing and conducive environment that helps attract amongst the best talent in the market and provides them with a platform that they can use to shape their careers. With a strong focus on growth, the Company strives to build a strong pipeline of leaders by offering unlimited growth opportunities, for those who chase excellence.

DMI is a place that provides an entrepreneurial culture and focuses on working together for a shared purpose. We deeply value our stakeholders and work dedicatedly towards creating a difference in their lives. Over the years, we have worked together through the most turbulent times and have come out stronger. During these journeys, we have imbibed lessons from these challenges and utilized those learnings to set ourselves on the path of winning. More importantly, we have learned to accept defeats and celebrate wins.

Also, the Company continues to take efforts to offer professional growth opportunities and recognitions while continuing to impart and organize various training programs to educate and train the employees on the products, Know Your Customer ('KYC'), Anti Money Laundering ('AML') norms and Policies, of the Company.

Considering the same the Company has successfully inducted significant talent at senior and mid-level into the Company and has been successful in retaining and developing the existing human resources. Accordingly, there was a significant increase in the total number of employees as on March 31, 2024:

<b>Financial Year</b>	<b>Number of employees</b>
2023-24	452
2022-23	396

## **SUBSIDIARIES/ASSOCIATES COMPANIES**

During the year under review, below mentioned is the list of subsidiaries and associate of the Company-

<b>S. No.</b>	<b>Name of Subsidiary Company</b>	<b>Nature of Relationship</b>
1.	DMI Capital Private Limited	Subsidiary Company
2.	Appnit Technologies Private Limited	Subsidiary Company
3.	Ampverse DMI Private Limited (w.e.f. July 05, 2023)	Joint Venture

*\*DMI Management Private Limited ceased to be the subsidiary company of the Company with effect from November 01, 2023 and DMI Alternatives Private Limited ceased to be the associate company with effect from September 25, 2023.*

Pursuant to Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company which shall be laid before the ensuing Annual General Meeting of the Company along with the standalone audited financial statements of the Company for the financial year ended March 31, 2024. The standalone and consolidated audited financial statements along with the salient features of the financial statements of the subsidiaries of the Company in the prescribed Form AOC-1 forms part of

the Annual Report and are also available on the website of the Company at <https://www.dmifinance.in/investor-financials.html>

The statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, in Form AOC- 1, forms part of the consolidated financial statements of the Company and hence not repeated here for the sake of brevity.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General meetings. The Company has complied with all the applicable provisions of the secretarial standards read with the MCA Circulars granting various exemptions and relaxations.

### **ANNUAL RETURN**

The copy of Annual Return for Financial Year 2023-24, which will be filed with the Registrar of Company, will be hosted on the website of the Company and can be accessed at <https://www.dmifinance.in/investor-financials.html> in accordance with provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013 and rules framed therein.

### **REGULATORY CHANGES**

#### **Deposits**

The Company did not hold any public deposits nor has accepted any public deposit during the year under review. Further, the Company being a Non-Banking Finance Company registered as Non-Deposit Taking Systemically Important Company categorised under Middle Layer as per Scale Based Regulation, it does not accept public deposits at any point of time and also ensures the due compliance of applicable guidelines of Reserve Bank of India in this regard.

### **DETAILS OF FRAUD REPORTING**

There were no fraud cases detected which were required to be reported during the year under review, in accordance with the provisions of Section 134 (3) (ca), read with Section 143 (12) of the Companies Act, 2013 to the regulatory authorities.

However, the Company has detected retail frauds during the year under review, the details and update of which was reported to the Audit Committee/Board on a quarterly and annual basis. Further, the details of the same had also been submitted to the Reserve Bank of India (RBI) in the prescribed formats at defined periodicity for submission.

### **CORPORATE SOCIAL RESPONSIBILITY**

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 (as amended from time to time), the Company has established a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and the same has been put up on the Company's website and available at the link: <https://www.dmifinance.in/corporate-social-responsibility-policy.html>

The CSR Policy was adopted in May 2014 by the Company with the aim of contributing to the social and economic development of the community in which the Company operates. It also talks out the prescribed activities out of which the Company may opt to undertake and provides for modalities of execution of the

projects undertaken, affixation of CSR budget and provides for mechanism for monitoring and reporting of the CSR activities undertaken.

For the year ended March 31, 2024, the Company was required to spend ₹ 36.49 Million under CSR for financial year 2023-24 as prescribed under Section 135 of the Companies Act, 2013. The Company has duly spent the required CSR expenditure of an amount of ₹ 36.49 Million on various CSR projects and causes including administrative expenses required in facilitating the said CSR projects during the year.

The statutory disclosures with respect to the CSR Committee, in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, in the form of the Annual Report on CSR Activities is laid down in **Annexure-B** which forms part of this Board's Report.

### **PARTICULARS OF INVESTMENTS LOANS AND GUARANTEES**

The Company being a Non- Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) primarily engaged in the business of lending is exempted from provisions of Section 186 of the Companies Act, 2013 ("Act").

Further, pursuant to Section 134(3)(g) of the Act read with Section 186 and rules made thereto, the Corporate Guarantee for an aggregate amount of ₹ 3,878.97 Million as of March 2023 for the debt raised by DMI Housing Finance Private Limited was repaid during the year under review. Other than this, no new Corporate Guarantee was advanced by the Company during the financial year 2023-24.

### **RELATED PARTY TRANSACTIONS**

In accordance with the provisions of Section 188 of the Act and rules made thereunder, all related party transactions entered during FY 2023-24 were on an arm's length basis and in ordinary course of the business.

The details as required to be provided under Section 134(3)(h) of the Companies Act, 2013 are provided in Form AOC-2 is attached as **Annexure-C** to this Board's report.

Further, compliance with the applicable provisions of the Companies Act, 2013 and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended from time to time) ("**RBI Master Directions**"), the Company has put in place a Board approved Related Party Transaction Policy ("**RPT Policy**") for the purpose of obtaining requisite approval and reporting transactions with related parties.

The policy can be accessed on the Company's website at the link: <https://www.dmifinance.in/pdf/Related-Party-Transaction-Policy.pdf>

A list of all the Related Party Transactions were placed before the Audit Committee for approval. Further, the details of related party transaction in compliance with provisions of Companies Act, 2013, RBI Master Directions, Regulation 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Schedule V, are disclosed in the notes forming part of the financial statements.

### **DISCLOSURE UNDER PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company is committed to create a safe and healthy work environment that enables its employees to work without fear of prejudice, gender bias and sexual harassment. The Company has in place an Anti-Sexual Harassment Policy (Policy) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). The Company believes that

sexual harassment at the workplace, if involving employees of the company, shall be considered a grave offence and is therefore punishable under the provisions of the Act. For this purpose, an Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding sexual harassment.

### **Scope of the Policy:**

The provisions of this policy are applicable to:

- All employees of the company, regardless of the nature of their contract, duration of employment or position in the organization
- Associates of the Company whether full-time, part-time, temporary, voluntary, contracted, or casual including researchers, trainees, and consultants
- Volunteers and interns, during their association with the organization
- Partners, clients, service providers and users of the services of the Company
- Acknowledgment of Policy is taken from all the employees.

All complaints of sexual harassment against employees are taken seriously and dealt with promptly. All investigations are conducted thoroughly and professionally, and accurate records of the investigation and the findings are properly maintained. Further, any employee who brings forward the charges of any instance of sexual harassment will not face any retaliation. The Company makes sure that anyone violating this policy is subjected to disciplinary action.

Every year we conduct annual trainings/ workshops & awareness programmes for all staff and members of the Internal Committee. In this programme we cover the following topics:

- Definition of Sexual Harassment
- Definition of Employee
- Duties of employer
- What is workplace
- Internal Committee Proceeding
- Disciplinary action

The details regarding the complaint status during the financial year 2023-24 is provided hereunder:

- a) Number of complaints filed during the financial year- 1
- b) Number of complaints disposed of during the financial year- 1
- c) Number of complaints pending as on end of the financial year- 0

### **RISK MANAGEMENT POLICY AND RISK CONTROL MATRIX**

In accordance with RBI Master Directions and the Companies Act, 2013, the Company has Board approved Risk Management Policy. The Board constituted Risk Management Committee and Audit Committee responsible for monitoring the progress of the Risk Control Matrix and loan portfolio and to establish standards to mitigate risks related to operations, credit, compliance, finance.

The Company recognizes the importance of risk management in achieving its strategic goals and safeguarding stakeholder interests. A robust Risk Management Policy, approved by the Board, underpins the Company's approach to identifying, assessing, mitigating, monitoring, and reporting risks across the organization. This Policy fosters a risk-aware culture, encouraging informed decision-making and resilience.

The Company's risk management framework operates on a three-lines-of-defense model. Business units are responsible for managing inherent risks within their operations (First Line of Defense). The Enterprise Risk Management function, led by the Chief Risk Officer, provides independent oversight, ensuring effective



identification, assessment, mitigation, and monitoring of all material risks (Second Line of Defense). The Internal Audit Function independently evaluates the adequacy and effectiveness of the risk management systems put in place (Third Line of Defense).

The Board of Directors maintains ultimate accountability for risk oversight delegated to the Risk Management Committee for implementation. A clearly defined risk appetite guides the Company's risk-taking decisions, ensuring they align with strategic objectives.

The Company employs a systematic approach to identify, assess, mitigate, and monitor risks. Material risks, including credit, market, operational, liquidity, interest rate, compliance, strategic, outsourcing, technology (including data privacy and cyber security), credit concentration, and reputational risks, are subjected to both qualitative and quantitative assessment. A tailored risk mitigation strategy is implemented for each risk, and continuous monitoring through key risk indicators enables proactive management of the Company's risk profile.

### **INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROLS**

The Company has a robust Internal Control System in place, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. The Company has appointed an Internal Audit Head to manage the Internal Audits of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee has the responsibility for establishing the audit objectives and for determining the nature, timing and extent of audit procedures as well as the locations where the work needs to be carried out.

The Internal Audit Department monitors and evaluates the efficacy & adequacy of Internal Financial Controls & Internal Control system in the Company to mitigate the risks faced by the organization and thereby achieve its business objective.

Broadly the objectives are-

- Review the adequacy and effectiveness of the internal controls through risk based Internal Audit (RBIA);
- Review the operation of the Control Supervisory Mechanisms;
- Recommend improvements in processes and procedures;
- Surface significant observations and recommendations for process improvement and financial leakages in a concise report for discussion with senior management;
- Review the compliance with operating systems, accounting procedures and policies.

Based on the report of the Internal Audit department, process owners undertake corrective action in their respective areas and thereby strengthen the internal controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company to the best of their knowledge and ability, confirms that-

- a. in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis; and
- e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS**

On June 08, 2022, the Company made an application to the Hon'ble National Company Law Tribunal ("NCLT") for reduction of share capital under Section 66 of Companies Act, 2013. In the said matter, the Company has received an Order dated July 09, 2024 from the Hon'ble NCLT for reduction of issued and subscribed share capital of the Company as mentioned below by cancellation of unpaid and uncalled capital on the partly paid-up equity shares.

<b>Capital Structure of the Company after the NCLT order</b>			
<b>Particulars</b>	<b>No. of shares issued</b>	<b>Issued and Subscribed Capital (INR)</b>	<b>Paid Up Capital (INR)</b>
Fully paid-up equity shares	74,26,25,096	7,42,62,50,960	7,42,62,50,960

Other than the above Order, no other significant and material orders were passed by the RBI, regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **APPROVALS RECEIVED FROM THE REGULATORS**

The Insurance Regulatory and Development Authority (IRDAI) has approved the application of the Company on April 23, 2024 to register as Corporate Agent pursuant to IRDAI (Registration of Corporate Agent) Regulations, 2015.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the company during the year under review. Below mentioned are the required details:

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Foreign Exchange Earnings (in Million)	1.86	Nil
Foreign Exchange Outgo/Expenditure (in Million)	139.08	139.24

### **PARTICULARS OF EMPLOYEES**

Your Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to achieve new milestones on a continual basis.

In terms of section 197 of the Act read with rule 5(2) and rule 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the members at the registered office of the Company during business hours on working days. A copy of this statement may be obtained by the members by writing to the Company Secretary of the Company. The Board hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

### **WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

In terms of the requirement of Section 177 of Companies Act, 2013 and Rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company has formulated a codified Vigil Mechanism for their Directors and Employees to report their genuine concerns or grievances about unethical and improper practices or any other wrongful conduct in the Company, without fear of punishment, victimization or unfair treatment. The Vigil Mechanism provides adequate safeguards against victimization of Employees and Directors who avail themselves of the Vigil Mechanism and provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Also, the Whistle Blower Policy of the Company has been placed up on the Company's website and available at the link:

<https://www.dmifinance.in/whistle-blower-policy.html>

During the year, no complaint was received under the Whistle Blower mechanism and the same was reported to the Audit Committee Meeting.

### **SECRETARIAL AUDITORS AND REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, the Board of Directors of the Company has appointed M/s VLA & Associates, Company Secretaries as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the financial year ended March 31, 2024. The Secretarial Audit Report given by the secretarial auditor in requisite form MR-3 is annexed to this Report as **Annexure-D**.

The Auditors' Report is self-explanatory and has no qualification or adverse remarks.

### **MAINTENANCE OF COST RECORDS**

As per the provisions of Section 148(1) of the Companies Act, 2013, the Company is not required to maintain cost records.

### **STATUTORY AUDITORS**

The Company had appointed **M/s. S.N. Dhawan & Co LLP, Firm Regd. No. 000050N/N500045** as the new statutory auditors at the 13<sup>th</sup> Annual General Meeting held on October 29, 2021 to hold office for 3 years commencing from the financial year i.e. 2021-22 till the financial year 2023-24 as per the provisions of the Companies Act, 2013 and RBI Circular pertaining to appointment of Statutory Auditors. The firm carries extensive experience in the financial services sector and is one of the leading statutory audit firms in India.

The audit report by M/s. S.N. Dhawan & Co LLP for the FY 2023-24 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

Further, in line with the RBI Guidelines, the Board of Directors, based on the recommendation of the Audit Committee at its meeting held on August 12, 2024 approved appointment of **M/s. Nangia and Co. LLP, Chartered Accountants (FRN: 002391C/N500069)** as Statutory Auditors of the Company for a

consecutive period of three years. At the ensuing AGM, approval of the members is being sought for their appointment as Statutory Auditor for term of three years from the conclusion of the 16<sup>th</sup> AGM till the conclusion of the 19<sup>th</sup> AGM to audit the accounts of the Company i.e., for the financial year ending 31 March 2025, 31 March 2026 and 31 March 2027.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report as mandated by the RBI Directions and pursuant to the Listing Regulations is part of this Board's Report annexed as **Annexure E** which forms part of this Board's Report.

### **AUDITOR'S OBSERVATION**

The Directors have examined the Auditors' Report on accounts for the period ended March 31, 2024. The Auditors' Report is self-explanatory and has no qualification or adverse remarks except as mentioned elsewhere.

The Audit Report by Statutory Auditors for the financial year ending March 31, 2024 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

### **DISCLOSURE AS PER FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019**

During the year under review, the Company had entered into the following transactions pertaining to investments in other Indian companies, transfer of shares and issue of shares to non-resident investor as mentioned below and made the necessary reporting in this regard with Reserve Bank of India (RBI) on the FIRMS portal of RBI at <https://firms.rbi.org.in/>, thereby complied with all the reporting requirements as per Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 within the statutory timeline.

S.No	Name of Investee Company	Particulars of transaction	Date of transaction	Type of reporting required	Amount (₹)
1	Ampverse DMI Private Limited	Subscribed to 1,31,200 Series A Compulsory Convertible Preference Shares (Series A CCPS) at an issue price of INR. 1000/- each.	June 26, 2023	DI reporting	22,12,13,467.00
2	Saarathi Finbiz Private Limited	Subscribed to 13,917 Compulsorily Convertible Preference Shares (CCPS) at an issue price of INR. 11,497.36/- per CCPS.	September 25, 2023	DI reporting	46,47,94,316.00
3	DMI Alternatives Private Limited	Transfer of shares held by the Company in DMI Alternatives	September 25, 2023	FC-TRS reporting	6,70,45,524.00
3	DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited)	Subscribed to 7,500 Unsecured Optionally Convertible Debentures ("OCDs") at a Face value of INR 1,00,000/- per OCD	March 22, 2024	DI reporting	60,00,00,000.00
4	Appnit Technologies Private Limited	Subscribed to 10,29,852 equity shares at an issue price of INR 67/- per share.	March 28, 2024	DI reporting	30,00,00,000.00

5	Radiant Polymers Private Limited	Acquisition of shares of Radiant from DMI Income Fund Pte Ltd	November 08, 2023	FC-TRS reporting	4,50,00,661.50
---	----------------------------------	---	-------------------	------------------	----------------

## **GENERAL**

The Board of Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions or applicability pertaining to these matters during the year under review:

- a. Details of any application filed or proceeding pending under Corporate Insolvency Resolution Process of Insolvency and Bankruptcy Code, 2016.
- b. Instance of one-time settlement with any Bank or Financial Institution.

## **ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Distributors and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all Executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

**By order of the Board of Directors  
For DMI Finance Private Limited**

**Sd/-  
Mr. Yuvraja Chanakya Singh  
Jt. Managing Director  
DIN: 02601179**

**Address: 46, 2<sup>nd</sup> Floor, Jor Bagh  
New Delhi- 110003**

**Place: New Delhi  
Date: August 12, 2024**

**Sd/-  
Mrs. Jayati Chatterjee  
Director  
DIN: 01401127**

**Address: 347, Pocket E,  
Mayur Vihar, Phase-II,  
New Delhi- 110091**

## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

DMI Finance Private Limited (“**Company**” or “**DMI**”) philosophy of corporate governance revolves around principles of transparency, accountability, integrity, fairness, responsibility, risk management, sustainability, board independence, competence, and stakeholder engagement. DMI believes that sound corporate governance practices are critical for the functioning of the Company and to create a trustworthy, transparent, moral and ethical, both internally and externally environment and by upholding these principles, the organization can foster a culture of ethical conduct, mitigate risks, and create long-term value for all stakeholders.

The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board of Directors of the Company (“**Board**”) or the by the Committees duly constituted by the Board, as the case may be. The Company fully supports and endorses the Corporate Governance practices as envisaged in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**SEBI Listing Regulations**”) as amended from time to time.

### II. BOARD OF DIRECTORS:

- a. **Composition of the Board of Directors:** As on March 31, 2024, the Company had 8 (Eight) Directors. Out of the 8 (Eight) Directors, there were 4 (four) Non-Executive Directors; 2 (two) Executive Directors and 2 (two) Nominee Directors as specified in the table below:

S. No	Name of the Director(s)	Category
1.	Mrs. Jayati Chatterjee	Non-Executive Non-Independent Director
2.	Mr. Shivashish Chatterjee	Executive Director
3.	Mr. Gurcharan Das	Non-Executive Non-Independent Director
4.	Mr. Nipendar Kochhar	Non-Executive Non-Independent Director
5.	Mr. Alfred Victor Mendoza	Non-Executive, Nominee Director - NIS Ganesha S.A.
6.	Mr. Masakazu Osawa	Non-Executive, Nominee Director – MUFG Bank Limited
7.	Mrs. Bina Singh	Non-Executive Non-Independent Director
8.	Mr. Yuvraja Chanakya Singh	Executive Director

Further, as on date of this Report, the Company has 9 (Nine) Directors. Ms. Naomi Koike Hauser representing NIS Ganesha S.A., was appointed as a Nominee Director in the category of an Additional Director of the Company on April 13, 2024. Her appointment was regularized by the shareholders of the Company at the Extra-Ordinary General Meeting of the Company held on July 12, 2024.

Further, the Company is a High-Value Debt Listed Company effective from March 12, 2024 and is required to comply with the provisions of Regulation 15 to 27 (“**Corporate Governance Provisions**”) of SEBI Listing Regulations and on a ‘**comply or explain**’ basis until March 31, 2025 as per Regulation 15 of SEBI Listing Regulations. The Company is in the process of streamlining the compliances under the Regulation 15 to 27 and accordingly, for the requirement of appointment of independent director(s) on the Board of the Company as per Regulation 17 of SEBI Listing Regulations, the Company is in the process of identifying suitable candidates for the appointment as Independent Director(s) of the Company.

b. **Meetings of Board of Directors:**

A total of 9 (Nine) Board Meetings were held during the financial year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on April 13, 2023, May 22, 2023, August 14, 2023, September 25, 2023, November 03, 2023, November 17, 2023, January 08, 2024, January 15, 2024, and February 08, 2024. The necessary quorum was present for all the meetings.

c. **Number of other board of directors or committees in which a director is a member or chairperson, along with the names of the listed entities disclosing the details of Director and the category of Directorship as on March 31, 2024 along with list of core skills / expertise / competencies, are given herein below:**

**Table: 1 Number of Board Meetings attended, attendance of last AGM, Directorship, Committee Chairpersonship / Membership**

Name of the Director (DIN)	Category	Number of Board Meetings attended during FY 2023-24	Whether attended last AGM held on September 28, 2023	Number of Directorships in other Companies%		Number of Committee positions held in other Public Companies*		Directorships in other listed entity (Category of Directorship)
				Chair-person	Member	Chair-person	Member	
Mrs. Jayati Chatterjee (DIN: 01401127)	Non-Independent-Non-Executive Director	8	Yes	Nil	2 (other)	Nil	Nil	Nil
Mr. Shivashish Chatterjee (DIN: 02623460)	Executive Director (Joint Managing Director)	7	No	Nil	7 (other)	Nil	Nil	Nil
Mr. Gurcharan Das (DIN: 00100011)	Non-Independent-Non-Executive Director	8	No	1 (public) 1 (other)	1 (public)	Nil	1	1. Gillette India Limited# 2. Procter & Gamble Hygiene and Healthcare Limited#
Mr. Nipendar Kochhar (DIN: 02201954)	Non-Independent-Non-Executive Director	9	No	Nil	3 (other)	Nil	Nil	Nil
Mr. Alfred Victor Mendoza (DIN:08432874)	Nominee Director	8	No	Nil	3 (other)	Nil	Nil	Nil
Mr. Masakazu Osawa <sup>1</sup> (DIN: 10138005)	Nominee Director	3	No	Nil	Nil	Nil	Nil	Nil
Mrs. Bina Singh (DIN: 01178506)	Non-Independent-Non-Executive Director	9	Yes	Nil	2 (other)	Nil	Nil	Nil
Mr. Yuvraja Chanakya Singh (DIN: 02601179)	Executive Director (Joint Managing Director)	9	Yes	Nil	6 (other)		Nil	Nil

\*It pertains to membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the SEBI Listing Regulations.

% Excludes Directorship in foreign companies.

#Non-Executive - Independent Director

**Notes:**

1. Mr. Masakazu Osawa was appointed as member of AC with effect from May 22, 2023.
2. During the FY 2023-24, Mr. Gaurav Burman ceased to be Nominee Director of the Company with effect from November 24, 2023.

**Table 2: Skills / Expertise / Competencies of Directors:**

Name of Director	Leadership & Strategy	Finance, Accounts & Taxation	Governance & Regulatory Affairs	Private Equity & Investment Banking	Capital Markets	Human Resources	Banking, Operations & Credit	Merger & Acquisitions	Risk	Treasury	CSR
Mrs. Jayati Chatterjee	Yes	-	Yes	-	-	Yes	-	-	-	-	Yes
Mr. Shivashish Chatterjee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Gurcharan Das	Yes	Yes	Yes	-	-	-	Yes	Yes	Yes	-	Yes
Mr. Nipendar Kochhar	Yes	Yes	Yes	Yes	-	-	Yes	-	Yes	Yes	-
Mr. Alfred Victor Mendoza	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-	Yes	-
Mr. Masakazu Osawa	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	-
Mrs. Bina Singh	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	-	Yes
Mr. Yuvraja Chanakya Singh	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**d. Disclosure of relationships between directors inter-se:**

S. No.	Name of Director	Name of Relative	Nature of relation
1.	Mrs. Jayati Chatterjee	Mr. Shivashish Chatterjee	Son
2.	Mr. Shivashish Chatterjee	Mrs. Jayati Chatterjee	Mother
3.	Mrs. Bina Singh	Mr. Yuvaraja Chanakya Singh	Son
4.	Mr. Yuvaraja Chanakya Singh	Mrs. Bina Singh	Mother

**e. Number of Shares and Convertible instruments held by Non-Executive Directors as on March 31, 2024:**

S. No	Name of Non-Executive Director	Type of security held	No. of Shares held	No. of Warrants held
1.	Mrs. Bina Singh	Equity Shares & Warrants	2,44,918	1,22,500
2.	Mrs. Jayati Chatterjee	Warrants	Nil	1,22,500
3.	Mr. Gurcharan Das	Warrants	Nil	1,22,500
4.	Mr. Nipendar Kochhar	Warrant	Nil	76,500

**f. Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:**

Please refer to the Note below. \*

**g. Confirmation that in the opinion of the Board, the independent directors fulfil the conditions specified in these regulations and are independent of the management: Please refer to the Note below. \*****h. Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such Director that there are no other material reasons other than those provided: Not Applicable; Please refer to the Note below. \***

*\*Note 1: The Company is a High-Value Debt Listed Company effective from March 12, 2024 and is required to comply with the provisions of Regulation 15 to 27 (“Corporate Governance Provisions”) of SEBI Listing Regulation on a ‘comply or explain’ basis until March 31, 2025 as per the Regulation 15 of SEBI Listing Regulations. The Company is in the process of streamlining the compliances under the Regulation 15 to 27 and accordingly, the Company is in the process of identifying suitable candidates for the appointment as Independent Director(s) and all the related compliances will be ensured subsequently.*



### III. COMMITTEES OF THE BOARD:

#### 1. Audit committee (“AC”)

##### i. Composition, Meetings and Attendance:

During FY 2023-24, 4 (Four) meetings of the AC were held on the following dates:  
May 18, 2023, August 11, 2023, November 02, 2023 and February 07, 2024.

The composition of the AC (including changes) and the attendance details of meetings during FY 2023-24 is given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mr. Nipendar Kochhar	Chairman & Non-Executive Director	4	4	3
Mr. Yuvraja Chanakya Singh	Joint Managing Director	4	4	3
Mr. Gaurav Burman <sup>1</sup>	Nominee Director	4	3	2
Mrs. Jayati Chatterjee	Non-Executive Director	4	4	4
Mr. Alfred Victor Mendoza	Nominee Director	4	4	4
Mr. Masakazu Osawa <sup>2</sup>	Nominee Director	4	3	0

##### Notes:

1. Mr. Gaurav Burman ceased to be a member of AC with effect from November 24, 2023.
2. Mr. Masakazu Osawa was appointed as member of AC with effect from May 22, 2023.

##### ii. Terms of reference:

The responsibilities of the AC, *inter alia*, include to oversee:

- to recommend appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company
- The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

#### 2. Nomination and Remuneration Committee (“NRC”)

##### i. Composition, Meetings and Attendance:

During FY 2023-24, 6 (Six) meetings of the NRC were held on the following dates:  
April 01, 2023, April 13, 2023, June 30, 2023, August 14, 2023, September 25, 2023 and December 15, 2023.

The composition of the NRC (including changes) and the attendance details of meetings during FY 2023-24 is, given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mr. Yuvraja Chanakya Singh	Chairman & Joint Managing Director	6	6	6
Mr. Shivashish Chatterjee	Joint Managing Director	6	6	6
Mr. Masakazu Osawa <sup>2</sup>	Nominee Director	6	4	3
Mr. Gaurav Burman <sup>1</sup>	Nominee Director	6	5	5
Mr. Alfred Victor Mendoza	Nominee Director	6	6	6

##### Notes:

1. Mr. Gaurav Burman ceased to be a member of NRC with effect from November 24, 2023.
2. Mr. Masakazu Osawa was appointed as member of NRC with effect from May 22, 2023.

**ii. Terms of reference:**

The responsibilities of the NRC, *inter alia*, include to oversee:

- To ensure that the general character of the management shall not be prejudicial to the interest of its present and future stakeholders and envisages ensuring the ‘fit and proper’ status of proposed or existing Directors.
- To nominate for appointment of directors with “fit and proper” credentials.
- Administration and superintendence of the Employee Stock Option Scheme and to that extent the scope of reference to the Committee is not restricted to only particular Stock Option scheme but all Stock Option schemes are to be implemented / administered by the Committee.
- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors the remuneration of the directors and key managerial personnel.

**iii. Performance Evaluation Criteria for Independent Directors: Please refer to the Note 1 above in Section II. \***

**3. Risk Management Committee (“RMC”)**

**i. Composition, Meetings and Attendance:**

During FY 2023-24, 4 (Four) meetings of the RMC were held on the following dates:  
May 22, 2023, August 14, 2023, December 05, 2023 and March 28, 2024.

The composition of the RMC (including changes) and the attendance details of meetings during FY 2023-24 is given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mr. Yuvraja Chanakya Singh	Chairman & Joint Managing Director	4	4	4
Mr. Shivashish Chatterjee	Joint Managing Director	4	4	3
Mr. Arindam Das	CEO - Consumer Credit and MSME Loans	4	4	4
Mr. Vivek Gupta	Head-Business	4	4	4
Mr. Jatinder Bhasin	Chief Risk Officer and Chief Compliance Officer (Interim)	4	4	4
Mr. Krishan Gopal <sup>1</sup>	Chief Financial Officer	4	0	0

**Notes:**

1. Mr. Krishan Gopal ceased to be a member of RMC with effect from May 22, 2023.

**ii. Terms of reference:**

The responsibilities of the RMC, *inter alia*, include to oversee:

- Adhere to the Risk Management Practices as prescribed.
- Monitor the progress of the Risk Control Matrix as approved by the Board.
- Monitor the loan portfolio on a regular basis and along with risks associated with it.
- Establish standards to mitigate risks related operations, credit, compliance, finance, etc.

**4. Corporate Social Responsibility (“CSR”) Committee**

**i. Composition, Meetings and Attendance:**

During FY 2023-24, 2 (Two) meetings of the CSR were held on the following dates:  
May 16, 2023 and November 27, 2023

The composition of the CSR (including changes) and the attendance details of meetings during FY 2023-24 is given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mrs. Jayati Chatterjee	Chairperson & Non-Executive Director	2	2	2
Mr. Gaurav Burman <sup>1</sup>	Nominee Director	2	1	1
Mr. Alfred Victor Mendoza	Nominee Director	2	2	2
Mrs. Bina Singh	Non-Executive Director	2	2	2

**Notes:**

1. Mr. Gaurav Burman ceased to be a member of CSR with effect from November 24, 2023.

**ii. Terms of reference:**

The responsibilities of the CSR Committee, *inter alia*, include to oversee:

- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.
- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company including the activities as specified in Schedule VII of Companies Act, 2013.
- Approve the implementing agency as per the eligibility criteria mentioned in Sec 135 of Companies Act 2013 and relevant rules as amended from time to time.
- Recommend the manner of execution of such projects or programmes.
- Recommend the modalities of utilisation of funds and implementation schedules for the projects or programmes.
- Monitoring and reporting mechanism for the projects or programmes.

**5. Asset Liability Committee (“ALCO”)**

**i. Composition, Meetings and Attendance:**

During FY 2023-24, 2 (Two) meetings of the ALCO were held on the following dates:

August 14, 2023 and February 07, 2024

The composition of the ALCO (including changes) and the attendance details of meetings during FY 2023-24 is, given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mr. Yuvraja Chanakya Singh	Chairperson & Jt. Managing Director	2	2	2
Mr. Alfred Victor Mendoza	Nominee Director	2	2	1
Mr. Masakazu Osawa <sup>1</sup>	Nominee Director	2	2	1
Mr. Shivashish Chatterjee	Jt. Managing Director	2	2	2
Mr. Gaurav Burman <sup>2</sup>	Nominee Director	2	1	1

**Notes:**

1. Mr. Masakazu Osawa was appointed as member of ALCO with effect from May 22, 2023.
2. Mr. Gaurav Burman ceased to be a member of ALCO with effect from November 24, 2023.

**ii. Terms of reference:**

The responsibilities of the ALCO, *inter alia*, include to oversee:

- Attend to aspects relating to Asset Liability Management such as availability of adequate funding for projected disbursements.
- Monitor the asset liability gap and strategize action to mitigate the risk associated.
- Understanding fund-raising requirements and advising the best instruments to be used for the same.
- Ensuring that the finance costs are managed in an efficient and effective manner
- Advising on utilization of excess funds available with the Company.

**6. IT Steering Committee (“ITSC”)**

**i. Composition, Meetings and Attendance:**

During FY 2023-24, 2 (Two) meetings of the ITSC were held on the following dates:

August 14, 2023 and February 07, 2024

The composition of the ITSC (including changes) and the attendance details of meetings during FY 2023-24 is, given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mr. Yuvraja Chanakya Singh	Chairman & Joint Managing Director	2	2	2
Mr. Shivashish Chatterjee	Joint Managing Director	2	2	2
Mr. Arindam Das	CEO - Consumer Credit and MSME Loans	2	2	2
Mr. Saurabh Nigam	Chief Information Officer	2	2	2
Mr. Vivek Gupta	Head-Business	2	2	2
Mr. Sahib Pahwa <sup>1</sup>	Head- CS & Compliance	2	1	1
Mr. Krishan Gopal <sup>2</sup>	Chief Financial Officer	2	0	0

**Notes:**

1. Mr. Sahib Pahwa ceased to be a member of ITSC with effect from September 15, 2023.
2. Mr. Krishan Gopal ceased to be a member of ITSC with effect from May 22, 2023.

**ii. Terms of reference:**

The responsibilities of the ITSC, *inter alia*, include to oversee:

The Committee shall provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

**7. IT Strategy Committee****i. Composition, Meetings and Attendance:**

During FY 2023-24, 2 (Two) meetings of the IT Strategy Committee were held on the following dates:  
August 14, 2023 and February 07, 2024

The composition of the IT Strategy Committee (including changes) and the attendance details of meetings during FY 2023-24 is, given below:

Name of the Members	Category	Number of meetings held during the financial year 2023-24		
		Held	Entitled	Attended
Mr. Yuvraja Chanakya Singh	Chairperson & Jt. Managing Director	2	2	2
Mr. Alfred Victor Mendoza	Nominee Director	2	2	2
Mr. Masakazu Osawa <sup>1</sup>	Nominee Director	2	2	1
Mr. Shivashish Chatterjee	Jt. Managing Director	2	2	2
Mr. Saurabh Nigam	Chief Information Officer	2	2	2
Mr. Manikant R. Singh	Chief Information Security Officer	2	2	2
Mr. Nikhil Garg	Chief Technology Officer	2	2	2
Mr. Krishan Gopal <sup>3</sup>	Chief Financial Officer	2	0	0

**Notes:**

1. Mr. Masakazu Osawa was appointed as member of IT Strategy Committee with effect from May 22, 2023.
2. Mr. Krishan Gopal ceased to be a member of IT Strategy Committee with effect from May 22, 2023.

**ii. Terms of reference:**

The responsibilities of the IT Strategy Committee, *inter alia*, include to oversee:

- Approving IT strategy and policy documents.
- Ascertaining that management has implemented processes and practices.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Monitoring the method of the IT resources needed to achieve strategic goals and provide high-level direction.
- Ensuring proper balance of IT investments for sustaining NBFC's growth and aware of IT risks and controls.

**8. Stakeholders' Relationship Committee:**

The Company is a High-Value Debt Listed Company effective from March 12, 2024 and is required to comply with the provisions of Regulation 15 to 27 ("**Corporate Governance Provisions**") of SEBI Listing Regulations on a '**comply or explain**' basis until March 31, 2025 as per the Regulation 15 of SEBI Listing Regulations. The Company is in the process of streamlining the compliances under the Regulation 15 to 27 and accordingly, the Company is in the process of constituting Stakeholders' Relationship Committee of the Board.

**IV. SENIOR MANAGEMENT AND CHANGES THEREIN**

As on March 31, 2024, the details of Senior Management of the Company are as below:

S. No	Name of Senior Officer	Designation
1.	Mr. Anmol Avinash Nayyar	Chief Partnership Officer
2.	Mr. Vivek Wadhwa <sup>1</sup>	Chief Financial Officer
3.	Mrs. Pooja Malik	Chief Human Resource

4.	Mr. Saurabh Nigam	Chief Technology Officer
5.	Mr. Jatinder Bhasin <sup>2</sup>	Chief Risk Officer
6.	Mr. Fahim Ahmed	Chief Administration
7.	Arindam Das- Consumer Credit & MSME Loans Vivek Gupta- Corporate Real Estate	Heads of Business Verticals
8.	Ms. Kirti Maheshwari	Head-Internal Audit
9.	Mr. Manikant R Singh	Chief Information Security Officer

However, on the date of this report, the Company has appointed Ms. Jyoti Kheria as the Company Secretary and Compliance Officer of the Company with effect from May 16, 2024.

**Notes:**

1. Mr. Vivek Wadhwa resigned from the office of Chief Financial Officer with effect from April 01, 2024 and Mr. Jatinder Bhasin has been appointed as Interim Chief Financial Officer of the Company with effect from April 25, 2024.
2. Mr. Jatinder Bhasin resigned from the office of Chief Risk Officer with effect from April 24, 2024 and Mr. Nicky Sharma has been appointed as new Chief Risk Officer with effect from April 24, 2024.

**V. REMUNERATION OF DIRECTORS:**

**a) Non-Executive Directors (NEDs)**

During the FY 2023-24, no remuneration was paid to the Non-Executive Directors of the Company except Sitting Fees for attending meetings of the Board and the Audit Committee of the Board within the maximum prescribed limits under the Companies Act, 2013. The details of the same are as under:

S. No.	Name of Director	Capacity	Remuneration (INR)		
			Salary and other Comp	Sitting Fees	Commission
1.	Mr. Gaurav Burman	Nominee Director	Nil	Nil	Nil
2.	Mrs. Jayati Chatterjee	Non- Executive Director	Nil	2,40,000	Nil
3.	Mr. Gurcharan Das	Non- Executive Director/ Chairman	Nil	1,60,000	Nil
4.	Mr. Nipendar Kochhar	Non- Executive Director	Nil	2,60,000	Nil
5.	Mr. Alfred Victor Mendoza	Nominee Director	Nil	Nil	Nil
6.	Mr. Masakazu Osawa	Nominee Director	Nil	Nil	Nil
7.	Mrs. Bina Singh	Non- Executive Director	Nil	1,80,000	Nil

During the financial year under the review, Mr. Nipendar Kochhar, Non-Executive Director had exercised 46,000 convertible share warrants pursuant to which ordinary equity shares of the Company were allotted to him. Further, no other NED had any other pecuniary relationships or transactions with the Company as on March 31, 2024 other than the details disclosed in this Report.

**b) Executive Directors:**

During the FY 2023-24, the Company paid remuneration to Mr. Yuvaraja Chanakya Singh and Mr. Shivashish Chatterjee, Joint Managing Directors of the Company. The details of the same are as under:

S. No.	Name of Director	Capacity	Remuneration (INR)		
			Salary and other Comp	Sitting Fees	Commission
1.	Mr. Shivashish Chatterjee	Jt. Managing Director	6,10,62,214	Nil	Nil
2.	Mr. Yuvraja Chanakya Singh	Jt. Managing Director	6,14,19,600	Nil	Nil

**c) Other disclosures:**

The compensation structure and framework of the Company is based on the below approach:

- a) As per the company's internal approach, document on calculation and payment of variable/performance pay, large portion of the variable pay to the KMP and other employees are paid in the form of ESOPs, which has vesting period attached to it. Accordingly, the same is not paid immediately and are vested over a period of time.
- b) Further, the variable pay is calculated on the basis of scorecard approach which has close integration & alignment with organization and individual performance.
- c) Variable pay is paid on the basis of company and individual performance after the closure of relevant financial year for which the variable payment has to be done.

Further, the details of remuneration paid to Non-Executive Directors and Executive of the Company are disclosed above in point (a) and (b) respectively.

**VI. GENERAL BODY MEETINGS:**

- a) Details of the last three Annual General Meetings of the Company:

Financial Year	Date	Time	Venue	Special Resolutions Passed
2021-22	October 29, 2021	1230 Hours	Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Delhi, India, 110002	No Special Resolution passed.
2022-23	September 02, 2022	1700 Hours	Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Delhi, India, 110002	To issue convertible share warrants on preferential allotment basis.
2023-24	September 28, 2023	1700 Hours	Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, Delhi, India, 110002	To regularise the appointment of Mr. Masakazu Osawa (DIN: 10138005) as a Nominee Director of the Company.

- b) Whether any special resolution passed last year through postal ballot and details of voting pattern – No.
- c) Person who conducted the postal ballot exercise – Not applicable.
- d) Whether any special resolution is proposed to be conducted through postal ballot – No.
- e) Procedure for postal ballot – Not applicable.

**VII. MEANS OF COMMUNICATION:**

The 'Investor Corner' section on the Company's website ([www.dmifinance.in](http://www.dmifinance.in)) keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc. The Debenture Holders can also send in their queries / complaints at the designated email address: [compliance@dmifinance.in](mailto:compliance@dmifinance.in). Financial Results of the Company on quarterly/half yearly basis are normally published in Financial Express Newspaper.

**VIII. GENERAL SHAREHOLDER INFORMATION:**

The Company is registered with the Registrar of Companies, Delhi. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is U64990DL2008PTC182749.

**a) Annual General Meeting –**

- a. Date: September 19, 2024
- b. Time: 1500 Hours
- c. Venue: Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, New Delhi, India, 110002

**b) Financial year:** April 01, 2023 to March 31, 2024

**c) Dividend payment date:** Not Applicable

- d) **The name and address of each stock exchange(s) at which the listed entity's securities are listed and confirmation about payment of annual listing fee to each of such stock exchange(s):**

Name and Address of the Stock Exchange	Type of Securities Listed
<b>BSE Limited</b> P. J. Towers, Dalal Street, Mumbai 400 001	Non-Convertible Debentures issued on a Private Placement Basis

Listing Fees as applicable have been paid for FY 2023-24 and the Company shall pay the listing fees for FY 2024-25 within the prescribed timelines.

- e) **Stock code:** Not Applicable\*
- f) **Market price data- high, low during each month in last financial year:** Not Applicable\*
- g) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc:** Not Applicable\*
- h) **In case the securities are suspended from trading, the directors report shall explain the reason thereof:** Not Applicable\*
- i) **Registrar to an issue and share transfer agents:**  
M/s. Link intime India Private Limited  
C 101, Embassy 247, L.B.S.Marg, Vikhroli (West), Mumbai – 400083  
Email: [debtca@linkintime.co.in](mailto:debtca@linkintime.co.in)
- j) **Share transfer system:** All activities in relation to both physical share transfer facility (includes transmission / splitting and consolidation of share certificates / dematerialization / rematerialization) is processed periodically by the Registrar & Share Transfer Agent (RTA) of the Company. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL).
- k) **Distribution of shareholding:**

Sr. No.	Category of Shareholders	% holding of Paid-Up Capital
1	Promoters	69.94%
2	Founders and Affiliates	0.54%
3	Corporate Investors	28.67%
4	Other Investors	0.85%
	<b>Total Capital</b>	<b>100.00%</b>

- l) **Dematerialization of shares and liquidity:**

As on March 31, 2024, equity Shares of the Company are held in both physical and dematerialised form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares by the depositories is INE604001012. Further, the Company is in the process of dematerialising its physical equity shares as per the provisions of Rule 9B of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

As on March 31, 2024, all of the Non-Convertible Debentures (NCD) of the Company are in dematerialised form and listed on Bombay Stock Exchange (BSE).

- m) **Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:** As on March 31, 2024, the details of outstanding Convertible Share Warrants of the Company are provided as below:

S. No	Type of Security Outstanding	Number of Security outstanding	Conversion Date	Impact on Equity Shares
1.	Warrants	42,27,886	As per the terms and conditions of warrants agreements.	On conversion, the warrants shall be converted into Equity Shares of the Company ranking pari passu with existing equity shares and consequently, the paid-up share capital of the Company will be increased.

- n) **Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable\*
- o) **Plant locations:** Not Applicable\*
- p) **Address for correspondence:** Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, New Delhi, India, 110002.
- q) **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:** Details pertaining to Credit Ratings and revisions thereto are provided in notes forming part of financial statements for the year ended March 31, 2024.
- r) **Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:** During the year under review, no amount was due for transfer to Investor Education and Protection Fund.

*\*The Equity Shares of the Company are not listed on the stock exchanges and hence certain details are not Applicable to the Company.*

## IX. OTHER DISCLOSURES:

Particulars	Details
(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.	Not Applicable
(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.	The details of non-compliances and penalties imposed by the listed entity are provided in notes forming part of financial statements of last three years of the Company available at the website of the Company i.e. <a href="https://www.dmifinance.in/investor-financials.php">https://www.dmifinance.in/investor-financials.php</a>
(c) Details of establishment of vigil mechanism/whistle blower policy, and affirmation that no personnel has been denied access to the audit committee.	The Company has a Whistle Blowing Policy and has established necessary Vigil Mechanism for Directors and Employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.
(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.	The provisions of Regulation 15 to 27 (“Corporate Governance Provisions”) of SEBI Listing Regulations is applicable on the Company on a ‘comply or explain’ basis until March 31, 2025 as per the Regulation 15 of SEBI Listing Regulations. The Company has recently fallen into the category of High-Value Debt Listed entity and is in the process of streamlining the compliances under the Regulation 15 to 27.
(e) Web link where policy for determining ‘material’ subsidiaries is disclosed.	Not Applicable
(f) Web link where policy on dealing with related party transactions.	<a href="https://www.dmifinance.in/investor-corporate-governance.php">https://www.dmifinance.in/investor-corporate-governance.php</a>
(g) Disclosure of commodity price risks and commodity hedging activities.	Not Applicable
(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
(i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	The Company has obtained certificate from M/s VLA & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as <b>Annexure I</b> .
(j) Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.	During FY 2023-24, all the recommendations of the various Committees of the Board were accepted by the Board of Directors.



Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.							
(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	The particulars of payment of fees to Statutory Auditors is provided in notes forming part of financial statement for the year ended 31st March 2024.						
(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	<table border="1"> <thead> <tr> <th>Number of complaints filed during the financial year</th> <th>Number of complaints disposed of during the financial year</th> <th>Number of complaints pending as on end of the financial year.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>0</td> </tr> </tbody> </table>	Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year.	1	1	0
Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year.					
1	1	0					
(m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.  Provided that this requirement shall be applicable to all listed entities except for listed banks.	As on March 31, 2024, there were no outstanding loans and advances in the nature of loans by listed entity to firms/companies in which Directors are interested by name and amount.  However, Appnit Technologies Private Limited, one of the subsidiaries of the Company has given an advance of Rs.1,67,000 to Plutus Paytech Private Limited.						
(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.	Not Applicable						

**X. Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed: NIL**

**XI. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II:

Separate posts of Chairman and Managing Director & Chief Executive Officer ("CEO"):

The Company does not have a designated Chairman and Chief Executive Officer ("CEO"). The Company have Joint Managing Directors, namely, Mr. Shivashish Chatterjee and Mr. Yuvraja Chanakya Singh.

**XII. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.**

The Company is a High-Value Debt Listed Company effective from March 12, 2024 and is required to comply with the provisions of Regulation 15 to 27 ("**Corporate Governance Provisions**") of SEBI Listing Regulations on a 'comply or explain' basis until March 31, 2025 as per the Regulation 15 of SEBI Listing Regulations. The Company is in the process of streamlining the compliances under the Regulation 15 to 27.

**XIII. Declaration signed by the chief executive officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management.**

The Company is a High-Value Debt Listed Company effective from March 12, 2024 and is required to comply with the provisions of Regulation 15 to 27 ("**Corporate Governance Provisions**") of SEBI Listing Regulations on a 'comply or explain' basis until March 31, 2025 as per the Regulation 15 of SEBI Listing Regulations. The Company is in the process of streamlining the compliances under the Regulation 15 to 27. Accordingly, the Code of Conduct as recommended by Nomination and Remuneration Committee of the Board is currently under the process to be approved by the Board of Directors. The members of Board of Directors and Senior Management Personnel shall be bound by such Code of Conduct post approval of the Board of Directors.

**XIV. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors' report.**

The Company has obtained a compliance certificate from M/s. VLA & Associates, Practicing Company Secretaries regarding compliance with the conditions of corporate governance. The same is reproduced at the end of this Report and enclosed as **Annexure II**.

**XV. Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable**

**XVI. Disclosure of certain types of agreements binding listed entities.**

**(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.**

The Company has entered into Shareholder Agreement dated March 31, 2023 with a Shareholder and Promoter of the Company, which either directly or indirectly or potentially can impact the management or control or impose any restrictions for the Company.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
***[Pursuant to Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]***

To  
**The Members**  
**DMI Finance Private Limited**  
**Express Building, 3rd Floor 9-10,**  
**Bahadur Shah Zafar Marg,**  
**New Delhi, India, 110002**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DMI Finance Private Limited** having CIN U64990DL2008PTC182749 and having registered office at Express Building, 3rd Floor 9-10, Bahadur Shah Zafar Marg, New Delhi, India, 110002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate in accordance with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, or any such other Statutory Authority, for the Financial Year ended on 31.03.2024.

Sl. No.	Name of Director(s)	Category/Designation	DIN	Date of appointment	Date of cessation, if any
1.	Mr. Nipendar Kochhar	Director	02201954	11.09.2008	-
2.	Mr. Yuvraja Chanakya Singh	Managing Director	02601179	26.08.2009	-
3.	Mr. Shivashish Chatterjee	Managing Director	02623460	30.12.2010	-
4.	Mr. Alfred Victor Mendoza	Nominee Director	08432874	14.11.2022	-
5.	Mr. Gurcharan Das	Director	00100011	25.08.2011	-
6.	Ms. Bina Singh	Director	01178506	02.09.2008	-
7.	Ms. Jayati Chatterjee	Director	01401127	02.09.2008	-
8.	Ms. Masakazu Osawa	Nominee Director	10138005	22.05.2023	-

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which management has conducted the affairs of the Company.

**For VLA & Associates**  
**Company Secretaries**  
**ICSI Unique Code: I2007DE587900**  
**Peer Review Unique Identification No.: 773/2020**

**Date: 12.08.2024**  
**Place: New Delhi**

**Sd/-**  
**Vishal Lochan Aggarwal**  
**(Proprietor)**  
**Membership No.: F7241**  
**C. P. No.: 7622**  
**UDIN: F007241F000930394**

**CERTIFICATE ON CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**The Members**

**DMI Finance Private Limited**  
**CIN: U64990DL2008PTC182749**  
**Express Building, 3rd Floor 9-10,**  
**Bahadur Shah Zafar Marg,**  
**New Delhi, India, 110002**

We have examined the compliance of Corporate Governance provisions by M/s DMI Finance Private Limited (“**the Company**”) for the year ended 31<sup>st</sup> March, 2024, as stipulated under Regulations 15 to 27 (“**Regulations of Corporate Governance**”) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by Securities and Exchange Board of India as per which the Company being High-Value Debt Listed Company is required to comply with the regulations of Corporate Governance on a ‘**comply or explain**’ basis until March 31, 2025, we hereby certify that the Company is in the process of complying the applicable regulations of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31<sup>st</sup> March, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For VLA & Associates**  
**Company Secretaries**  
**ICSI Unique Code: I2007DE587900**  
**Peer Review Unique Identification No.: 773/2020**

Sd/-  
**Vishal Lochan Aggarwal**  
**(Proprietor)**  
**FCS No. F7241**  
**C.P. No. 7622**  
**UDIN: F007241F000930451**

**Date: 12<sup>th</sup> August 2024**  
**Place: New Delhi**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

During the year, the Company constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

## 1. A brief outline on CSR Policy of the Company

The Company adopted CSR Policy aims at supplementing the role of government in enhancing the welfare measures for the underprivileged communities. In order to fulfil and enhance its CSR responsibilities, the company will distribute its CSR efforts in accordance with the provisions of the companies Act 2013 and thus announce the following themes:

- Health Sanitation
- Self-help groups empowering women
- Cleanliness and hygiene program
- Education
- Rural development and enhancement
- Sanitation, access to basic amenities

## 2. The composition of CSR Committee

S.no	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Gaurav Burman*	Director	2	1
2	Mrs. Jayati Chatterjee	Director	2	2
3	Mr. Alfred Victor Mendoza	Director	2	2
4	Mrs. Bina Singh	Director	2	1

*\*Mr. Gaurav Burman resigned from the post of Nominee Director of the Company with effect from November 24, 2023. Consequently, he ceased to be a member of the Committee of the Company also thereon.*

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Weblink: The CSR Policy, Composition of CSR committee and details of the projects funded by the company can be accessed from <https://www.dmifinance.in/investor-corporate-governance.html>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)- **Not Applicable.**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- **NIL**
6. Average net profit of the company as per section 135(5)- ₹ 1,82,40,43,333.33/-

7. (a) Two percent of average net profit of the company as per section 135(5)- ₹ 3,64,90,000/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- NIL
- (c) Amount required to be set off for the financial year, if any- ₹ NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c)- ₹ 3,64,90,000/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
3,64,90,000	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S.No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project (State/District)	Project Duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency (Name and CSR Reg No.)
1	Khelo Tennis India Foundation	Social Integration (Through Sports)	Yes	Delhi/NCR	1 year	22,20,000	22,20,000	NIL	Yes	CSR Reg No: CSR00026731
2	Chinmaya Organization for Rural Development (CORD)	Rural development	Yes	New Delhi	1 year	15,00,000	15,00,000	NIL	Yes	CSR Reg No. CSR00000543
3	Lotus Petal Foundation	Education	No	Haryana	1 year	15,00,000	15,00,000	NIL	Yes	CSR Reg No: CSR00001939
4	PS Ramachandran Trust	Education	No	Tamil Nadu	1 year	15,00,000	15,00,000	NIL	Yes	CSR Reg No: CSR00012032
5	Rightwalk Foundation	Education	No	Uttar Pradesh	1 year	16,00,000	16,00,000	NIL	Yes	CSR Reg No: CSR00005366

6	Hope Welfare Foundation	Education and Upliftment	No	Uttar Pradesh	1 year	3,13,066	3,13,066	NIL	Yes	CSR Reg No: CSR00020850
7	Ambassador Organization	Upliftment of orphan and poor children	No	West Bengal	1 year	10,00,000	10,00,000	NIL	Yes	CSR Reg No: CSR00020850
8	Natural Elements Foundation	Education	No	Haryana	1 year	10,00,000	10,00,000	NIL	Yes	CSR Reg No: CSR00020850
9	Hikmat Foundation	Education	No	Bihar	1 year	15,00,000	15,00,000	NIL	Yes	CSR Reg No: CSR00029820
10	Welfare for Animals in Goa	Animal Welfare	No	Goa	1 year	10,00,000	10,00,000	NIL	Yes	CSR Reg No: CSR00022905
11	The Restoring Force	Well recharge project	No	Rajasthan	1 year	6,00,000	6,00,000	NIL	Yes	CSR Reg No: CSR00014125
	<b>Total</b>					<b>1,52,33,066</b>	<b>1,52,33,066</b>			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. no.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project (State/District)	Amount Spent for the project (in Rs.).	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency (Name and CSR Reg No.)
1	Ashoka University (Contribution to International Foundation for Research and Education)	Education	No	Sonepat, Haryana	1,00,00,000	No	The amount was indirectly transferred to (Contribution to International Foundation for Research and Education)- Reg. No.- CSR00000712
2	Apnalaya and Agargamee	Aragamee works with tribal communities in Odisha and Apnalaya works with the urban poor in Mumbai	No	Mumbai, Maharashtra	10,00,000	Yes	The amount was indirectly transferred to the Impact Foundation (India) as the Implementation Partner Reg. No.- CSR00001920
3	Jyoti Development Trust	Education, Nutrition	No	Midnapore, West Bengal	15,00,000	Yes	CSR Reg. No.- CSR00012807
4	Fatima Hospital	Health (For ventilators)	No	Gorakhpur	7,25,230	Yes	CSR Reg No.- CSR00004811
5	Param Shakti Peeth	Provide full care and family based rehabilitation of abandoned children, destitute women	No	Vrindavan, Mathura Road	30,00,000	Yes	CSR Reg No.- CSR00000072
6	Shelter associates	Providing low-cost housing and	No	Pune, Maharashtra	25,00,000	Yes	CSR Reg No. CSR00002004





							<b>Financial Year. (in Rs.)</b>	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)- **Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- **Not Applicable**

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

**Sd/-  
Mr. Yuvraja Chanakya Singh  
Jt. Managing Director  
DIN: 02601179**

**Address: 46, Second Floor,  
Jor Bagh, New Delhi- 110003**

**Place: New Delhi  
Date: August 12, 2024**

**Sd/-  
Mrs. Bina Singh  
Member- CSR Committee  
DIN: 01146087**

**Address: 46, Second Floor,  
Jor Bagh, New Delhi- 110003**

**Sd/-  
Mrs. Jayati Chatterjee  
Member- CSR Committee  
DIN: 01401127**

**Address: 347, Pocket E,  
Mayur Vihar, Phase-II,  
Delhi, 110091**

**Form No. AOC-2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board or Committee	(g) Amount paid as advances, if any:
Mr. Sahib Pahwa (Head- CS & Compliance)	Exercise of stock options	As per the provisions of the DMI Employee Stock Option Plan, 2018 (as amended)	Exercise of stock options at Arm's Length Basis	-	May 22, 2023	Not Applicable
Mr. Krishan Gopal (erstwhile Chief Financial Officer)	Exercise of stock options	As per the provisions of the DMI Employee Stock Option Plan, 2018 (as amended)	Exercise of stock options at Arm's Length Basis	-	May 22, 2023	Not Applicable
Mr. Nipendar Kochhar (Director)	Advancement of loan for the exercise of convertible share warrants	As per agreed terms provided in the Loan Agreement and the Loan Policy of the Company	Advancement of loan for the exercise of convertible share warrants at Arm's Length Basis	-	May 22, 2023	Not Applicable
Pardus Consultants Private Limited (Private Company with common Directors)	Advancement of an unsecured loan at Arm's Length Basis	As per agreed terms provided in the Loan Agreement	Advancement of an unsecured loan at Arm's Length Basis	-	May 22, 2023	Not Applicable
Mr. Anmol Nayyar, Chief Partnerships Officer	Advancement of loan for the exercise of	As per agreed terms provided in the Share	Advancement of loan for the exercise of convertible	-	May 22, 2023	Not Applicable

	convertible share warrants		share warrants at Arm's Length Basis			
Shivashish Chatterjee Revocable Trust (Beneficiary of the personal trust and Mr. Shivashish Chatterjee is also acting as Jt. Managing Director of the Company)	Transfer of shares of DMI Alternatives Private Limited held by the Company	As per agreed terms provided in the Share Purchase Agreement	Transfer of shares of DMI Alternatives Private Limited held by the Company as per agreed terms	-	August 14, 2023	Not Applicable
Yuvraja Chanakya Singh Revocable Trust (Beneficiary of the personal trust and Mr. Yuvraja Chanakya Singh is also acting as Jt. Managing Director of the Company)	Transfer of shares of DMI Alternatives Private Limited held by the Company	As per agreed terms provided in the Share Purchase Agreement	Transfer of shares of DMI Alternatives Private Limited held by the Company as per agreed terms	-	August 14, 2023	Not Applicable
Appnit Technologies Private Limited	Availing DigiLocker services for onboarding the clients of Appnit	As per terms of the Service Agreement	Availing DigiLocker services for onboarding the clients of Appnit at arms' length basis	-	August 14, 2023	Not Applicable
MUFG Bank, Ltd	Availment of a credit facility by the Company	As per terms of the Sanction letter	Availment of a credit facility by the Company on arms' length basis	-	September 15, 2023	Not Applicable

**By order of the Board of Directors  
For DMI Finance Private Limited**

**Sd/-  
Mr. Yuvraja Chanakya Singh  
Jt. Managing Director  
DIN: 02601179**

**Sd/-  
Mrs. Jayati Chatterjee  
Director  
DIN: 01401127**

**Address: 46, 2<sup>nd</sup> Floor, Jor Bagh  
New Delhi- 110002**

**Address: 347, Pocket E, Mayur Vihar, Phase-II,  
New Delhi- 110091**

**Place: New Delhi  
Date: August 12, 2024**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel)  
Rules, 2014]

**To,  
The Members,  
DMI Finance Private Limited  
Express Building, 3<sup>rd</sup> Floor 9-10,  
Bahadur Shah Zafar Marg,  
New Delhi - 110002**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DMI Finance Private Limited** (hereinafter called “the **Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder- **To the extent applicable to High Value Debt Listed entity;**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **To the extent applicable to High Value Debt Listed entity;**

- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable during the audit period under review;**
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **The Company is complying with the applicable provisions during the audit period under review;**
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, [*erstwhile The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009*]- **Not applicable during the audit period under review;**
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not applicable during the audit period under review;**
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **To the extent applicable to High Value Debt Listed entity;**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- **To the extent applicable to High Value Debt Listed entity;**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **Not applicable during the audit period under review;** and
  - i. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - **Not applicable during the audit period under review.**
- vi. Other laws as applicable specifically to the Company:
- a. Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings.

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. There were changes in the composition of the Board of Directors during the year under review as follows:

1. Mr. Masakazu Osawa was appointed as a nominee director of the Company with effect from 22<sup>nd</sup> May, 2023.

2. Mr. Gaurav Burman resigned from his directorship of the Company with effect from 24<sup>th</sup> November, 2023.

Adequate notices, agenda and detailed notes on agenda were given to all directors to schedule the Board Meetings in compliance with the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The resolutions were passed at all the meetings by the requisite majority and there were no instances of the dissent which were required to be captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Further I report** that during the audit period, the Company has taken the following major decisions:

1. **Memorandum of Association** “hereinafter referred to as the MoA” of the Company were amended at the Extraordinary General Meeting held on 26<sup>th</sup> June, 2023 to amend its object clause by passing special resolution for the same.

2. The Company had altered its **Articles of Association** “hereinafter referred to as the AoA” by passing of special resolution on 13<sup>th</sup> April, 2023 to incorporate new clauses as per Shareholders Agreement in the existing AoA of the Company.

3. The Company had advanced loan to its related parties for the exercise of stock options and convertible share warrants as per the resolution passed by the Board members in its Board meeting held on 22<sup>nd</sup> May, 2023 and there are no outstanding dues in this regard as on 31<sup>st</sup> March, 2024.

4. During the audit period i.e. from 1st April, 2023 to 31st March, 2024, the Company had made allotments in accordance with the provisions of Preferential allotment, Private Placement as provided under section 42, section 62 of the Companies Act, 2013.

**For VLA & Associates  
(Company Secretaries)**

**Sd/-**

**Vishal Lochan Aggarwal  
(Proprietor)**

**FCS No.: 7241**

**C P No.: 7622**

**UDIN: F007241F000930680**

**Place: New Delhi**

**Date: 12<sup>th</sup> August, 2024**

This report is to be read with our letter of even date which is annexed as “Annexure-1” and forms an integral part of this report

**Annexure-1**

To,  
The Members,  
DMI Finance Private Limited  
Express Building, 3rd Floor, 9-10,  
Bahadur Shah Zafar Marg,  
New Delhi – 110002

**My report of even date is to be read along with this letter.**

**Management's Responsibility:-**

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

**Auditor's Responsibility:-**

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:-**

The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 12<sup>th</sup> August, 2024

Sd/-  
Vishal Lochan Aggarwal  
(Proprietor)  
FCS No.: 7241  
C P No.: 7622  
UDIN: F007241F000930680

# Management Discussion and Analysis

DMI Finance Private Limited | Annual Report 2023-24

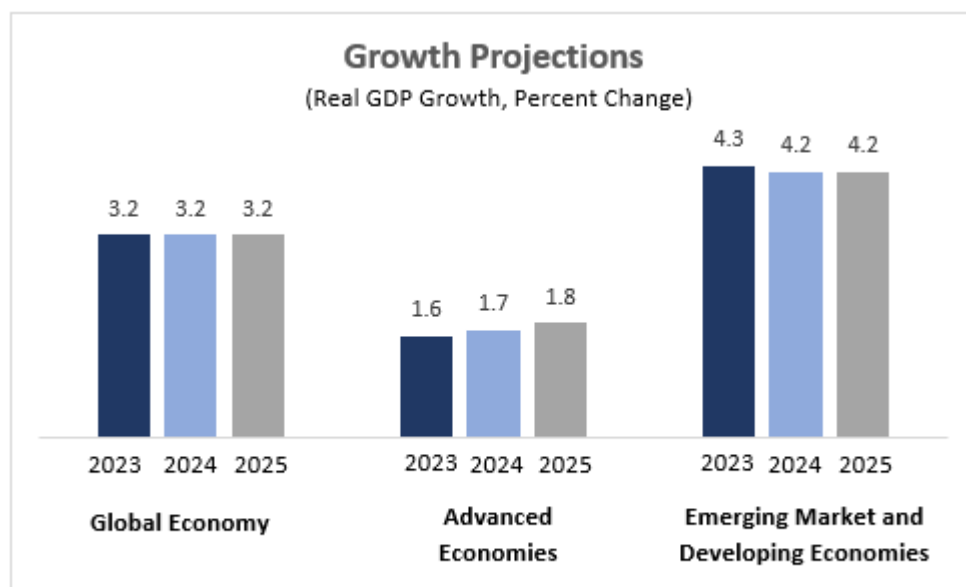
## Economic Overview

### Global Economic Overview

Amidst numerous challenges in 2023, including geopolitical tensions, rising inflation, and higher interest rates, the global economy showcased remarkable resilience. According to the International Monetary Fund (IMF), the global economy grew by 3.2% in 2023.

The growth was primarily attributed to the resilience demonstrated by the United States and several major emerging markets & middle-income economies. This growth was supported by government spending and household consumption. The growth was further aided by a supply-side expansion and a greater-than-expected rise in the labour force participation. Furthermore, the long-standing supply chain issues, persisting from the pre-pandemic era, have been alleviated, resulting in reduced delivery times for goods.

Major economies have grappled with the challenge of higher inflation. In response, the majority of Central Banks across the globe, have implemented synchronised rate hikes to curb inflation. This prolonged period of tightened monetary policy has effectively reduced inflation more rapidly than anticipated, with the global headline inflation averaging 6.8% in 2023, down from 8.7% in 2022. However, the higher interest rates have led to weakened business conditions, difficulties for firms seeking to refinance their debt, and reduced residential investment.



Source: IMF World Economic Outlook April 2024

### Outlook

The IMF has projected a steady growth rate of 3.2% for both 2024 and 2025, which remains below the pre-pandemic level of 3.8%. Inflation is expected to continue its downward trend, reaching 5.9% in 2024 and 4.5% in 2025. The anticipation of easing inflation has led to market expectations of declining



future policy rates, contributing to a reduction in longer-term interest rates and bolstering equity markets. However, several potential challenges loom on the horizon. Geopolitical shocks, such as ongoing attacks in the Red Sea and the conflict in Ukraine, can uptick commodity prices and pose a risk to global recovery. These events could result in supply disruptions and significant increases in food, energy, and transportation costs. Prolonged tight monetary conditions have the potential to impact global economic growth.

## Indian Economic Overview

India's economic resilience shone through in FY 2023-24, as it navigated global volatility to maintain growth and secure its position as the world's fifth-largest economy. According to the Provisional Estimates of Annual GDP for 2023-24, the Indian economy has clocked a growth rate of 8.2% in FY 2023-24 compared to a growth rate of 7% in the previous financial year. This growth was fuelled by various factors including increased government capital spending, a thriving manufacturing sector, strong domestic demand, and improved efficiency and transparency due to government support and key structural reforms like the Goods and Services Tax and Insolvency and Bankruptcy Code.

Industry (in ₹ lakh crores)	FY 24	FY23	FY24 vs FY23 (%)	FY 22	FY23 vs FY22
Agriculture, Forestry and Fishing	23.0	22.7	1.4%	21.7	4.7%
Mining and Quarrying	3.4	3.2	7.1%	3.1	1.9%
Manufacturing	27.5	25.1	9.9%	25.6	(2.2) %
Electricity, Gas, Water Supply and Other Utility Services	3.7	3.5	7.5%	3.2	9.4%
Construction	14.4	13.1	9.9%	11.9	9.4%
Trade, Hotels, Transport, Communication & Services related to Broadcasting	29.6	27.8	6.4%	24.8	12%
Financial, Real Estate & Professional Services	36.9	34.1	8.4%	31.2	9.1%
Public Administration, Defence & Other Services	20.2	18.8	7.8%	17.2	8.9%

Source: Provisional estimates by Ministry of Statistics & Programme Implementation, May 2024

Despite robust growth, the Indian economy has grappled with prolonged inflationary pressures that have persisted from the previous financial year. In response, the Reserve Bank of India (RBI) has implemented stringent measures, recalibrated its monetary policies and raised the repo rate to 6.5%. Additionally, during FY 2023-24, the RBI has maintained the repo rate for seven consecutive policy reviews. These actions have helped alleviate inflationary pressures, with average inflation remaining at 5.4%, below the RBI's tolerance level.

Unemployment remains a significant concern for India's expanding economy. The unemployment rate stood at 7.6% in March 2024, as per the Centre for Monitoring Indian Economy (CMIE). To address this issue, the government has introduced several schemes aimed at providing employment opportunities. These include the Atmanirbhar Bharat Rojgar Yojana (ABRY), the National Career Service (NCS) Project, and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), among others.

On the positive side, GST collections reached an all-time high of ₹20.2 lakh crores mark, indicating a growth of 11.7%, a positive trend that is backed by strong domestic demand. Moreover, the service Purchasing Managers Index (PMI) of India has consistently stayed above 50, signifying an expansion in output. Despite the sluggish global economy, India's service exports have demonstrated a growth of 4.4%, reaching \$339.6 Bn. In contrast, imports have contracted by approximately 2.5%. This shift has played a crucial role in helping the economy maintain its trade balance.

### **Outlook**

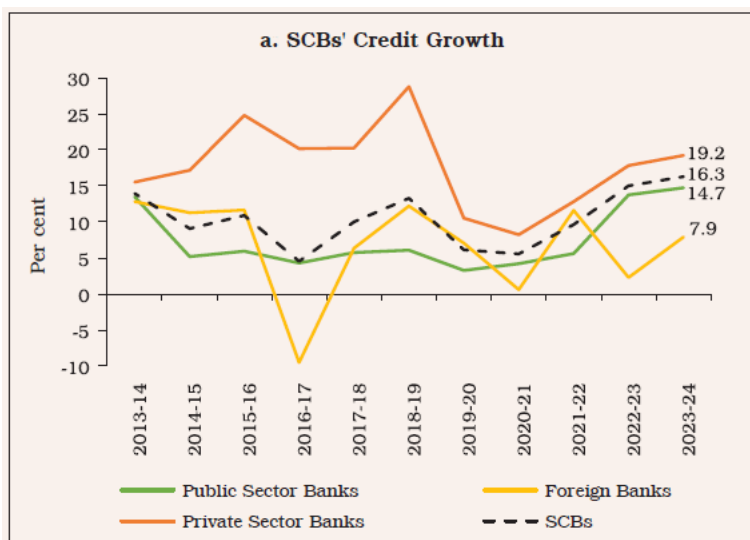
Looking ahead, the Indian economy appears poised for a promising trajectory, with the RBI forecasting a growth rate of 7.2% for FY 2024-25. This growth will be underpinned by increased business investment and discretionary household spending. Additionally, the cooling inflationary trend is expected to play a pivotal role, with India's inflation projected to decline to 4.5% in FY 2024-25 from an average of 5.4% in FY 2023-24. With the moderation of inflation, the easing of monetary policy is anticipated to commence in the second half of 2024, supported by sustained high levels of government investment.

Several downside risks persist, including sluggish global economic growth, geopolitical tensions, and prolonged tight monetary policy, all of which could hamper the growth outlook. However, India's diverse economic base, robust domestic consumption, and various government initiatives such as the Production Linked Incentive (PLI) scheme, the Make in India campaign, and a higher capital allocation of ₹11.1 lakh crores are expected to mitigate these risks and bolster the economy.

## **Industry Overview**

### **Overview of the Financial Services Sector**

In the fiscal year 2023-24, the financial services sector in India demonstrated resilience in the face of challenges stemming from tighter monetary policies and elevated interest rates. Despite these challenges, the sector experienced robust double-digit growth in bank credit throughout FY 2023-24, driven by strong demand from the retail and services sectors. Scheduled Commercial Banks (SCBs) saw credit growth of 16.3% in FY 2023-24, an increase from the 15% growth recorded in the previous financial year. Additionally, Public Sector Banks (PSBs) and Private Sector Banks (PVBs) posted growth rates of 14.7% and 19.2%, respectively. Moreover, the Reserve Bank of India's financial stability report underscores a notable shift in credit allocation by banks and NBFCs towards the service sector and retail loans. The service sector saw a 20.2% increase in loans, while the personal loans experienced a growth rate of 17.7% in FY 2023-24.



Source: RBI.

In March 2024, industry credit increased by 8.5% year-on-year (Y-o-Y), up from 5.6% in March 2023. The services sector saw a Y-o-Y growth of 20.2% in March 2024, compared to 19.6% in March 2023, driven by Non-Banking Financial Companies (NBFCs) and trade. Credit for agriculture and allied activities grew robustly to 20.1% Y-o-Y in March 2024, up from 15.4% the previous year. This credit growth was underpinned by strong demand conditions in the Indian economy and banks' increased willingness to lend.

Indian bank credit growth is expected to remain strong and is projected to range between 14.0% and 14.5% by the end of FY 2024-25. Asset quality is also anticipated to improve, with Gross Non-Performing Assets (GNPAs) and Net Non-Performing Assets (NNPAs) expected to reduce to 2.1-2.5% and 0.5-0.6%, respectively, by March 2025, down from the projected levels of 2.8-3.1% and 0.7% as of March 31, 2024.

The growth in credit can be attributed to economic expansion, a rise in capital expenditure, growth in retail credit, and the anticipated increase in capital expenditure, particularly by the private sector. Though the Indian economy and financial sector have demonstrated remarkable resilience against geopolitical risks in the past and sustained high levels of growth, there is a downside risk to growth from inflation due to geopolitical tensions, which could lead to prolonged high interest rates potentially hampering growth.

## NBFC Sector

In recent years, Non-Banking Financial Companies (NBFCs) have emerged as a pivotal sector in India's financial market, addressing the evolving credit demands. As of March 2023, the credit-to-GDP ratio for NBFCs stood at 12.6%. Between September 2022 and September 2023, the NBFC sector in India experienced substantial credit growth, with gross advances rising by 20.8% year-on-year up from 10.8% in the previous year. Furthermore, according to a report published by BCG, in the first half of FY 2023-24, NBFC credit growth outpaced bank credit growth, achieving a rate of 24% compared to the banks' which stood at 21%.

This growth is fuelled by factors like a growing middle class, improved financial inclusion, and favourable policy actions. Government and Central Bank initiatives such as the Pradhan Mantri Mudra Yojana (PMMY) and Pradhan Mantri Jan Dhan Yojana (PMJDY) have further bolstered the sector's expansion. In terms of asset size-wise mix, housing loans and infrastructure loans remain predominant within the overall NBFC portfolio.

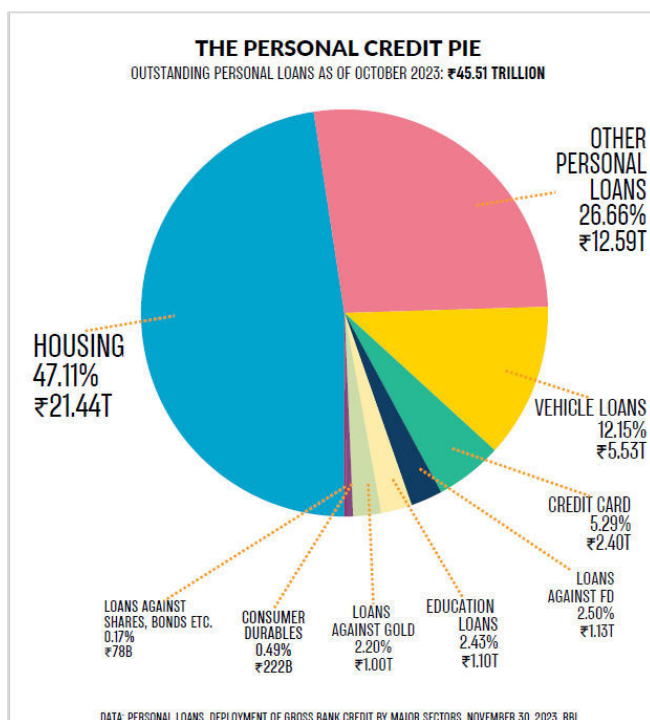
The credit quality of NBFCs has also been improving due to strong domestic demand, better credit conditions for bank borrowers, and improved solvency and funding for Indian financial institutions. The GNPA ratio of NBFCs continued to decline, with improvements seen across sectors. By March 2024, the overall GNPA ratio had decreased to 4.0% from 4.6% in September 2023, while the NNPA ratio fell to 1.1% from 1.5%. The capital adequacy of NBFCs declined marginally to 26.6% from 27.6% but the NBFC sector witnessed a healthy Provision Coverage Ratio (PCR) during this period. Furthermore, the NBFC Assets Under Management (AUM) were expected to grow at a CAGR of 13-14% in FY 2023-24 and reach ₹34 lakh crores.

It is estimated that the overall NBFC credit will increase at a CAGR of 13-15% between FY 2022-23 and FY 2024-25. This growth is fuelled by changing customer needs, robust risk management practices, and the rising demand for seamless digital services. NBFCs are anticipated to capitalise on these trends by forging strategic partnerships, embracing technological innovations, and promoting financial inclusivity. Government initiatives and ongoing digital transformations are creating favourable conditions for NBFCs to extend credit access to the unbanked and underserved segments.

## Retail Lending

The growth momentum of retail credit remained high in India’s credit market during 2023. The Indian retail lending exhibited a robust growth rate of 18% and the value stood at ₹ 45.5 lakh crores by October 2023. This growth was underpinned by several factors including easing inflation, improved demand conditions, and stable financial and economic conditions.

Home finance, holding the largest share in retail lending at 47.1%, experienced a 14.5% growth to reach ₹21.4 lakh crores by October 2023. This surge was primarily driven by a strong housing market recovery post-pandemic, resulting in pent-up demand for new homes. Additionally, the government’s emphasis on affordable housing has further boosted this growth. Vehicle loans also experienced a significant surge, with a 20% increase to ₹5.5 lakh crores. This growth can be attributed to the expanding automobile market, supported by rising income levels and increasing consumer aspirations. Credit card outstandings emerged as the fastest-growing segment, with a remarkable 28% increase, reaching ₹2.4 lakh crores in October 2023.



With the easing of inflation, it is expected that the interest rates may also cool down, which could lead to further growth in the retail segment. However, the RBI has been cautioning the industry with respect to the rapid rise in retail loans, especially unsecured loans. The RBI came out with an adjustment in risk weights, which is expected to lead to a pullback in high-risk and small-ticket lending. While prime borrowers will still receive attractive loan offers, accessing credit may become more challenging for subprime borrowers as lending to this riskier segment tightens.

## Digital Lending

Digital lending in India is undergoing a transformative phase, propelled by government digitisation initiatives and the rise of innovative FinTech companies. According to a report published by Redseer Strategy Consultants, the value of the digital lending market in India was \$5.8 Bn in FY 2020-21 and has grown to \$11.6 Bn in FY 2022-23. The digital lending segment is poised to reach ~\$60 Bn by FY 2027-28. This growth is propelled by several factors, including the rising levels of financial and digital literacy, particularly in rural regions where access to formal credit was historically constrained. The ubiquitous use of smartphones and the availability of high-speed internet have further extended the industry's geographical reach, particularly benefiting rural populations.

The integration of Aadhaar and eKYC has streamlined consumer access to digital lending. Additionally, a robust digital public infrastructure has played a crucial role in lowering banking costs and improving access to financial services, thus revolutionising India's cash-centric economy. These advancements have enabled digital lenders to significantly reduce user verification costs and offer real-time mobile payments.

The lending landscape in India is undergoing a significant evolution, shifting from traditional methods to a digitally driven approach. In response to the rapid growth of digital lending, the RBI has introduced the Digital Lending Guidelines (DLG) to enhance transparency and customer protection in this sector. These guidelines focus on stricter KYC norms, collection and use of data, privacy, better disclosures to customers among other aspects, aiming to transform the industry into a more responsible and secure sector. Furthermore, the digital lending market is also witnessing the adoption of artificial intelligence (AI) and data science technologies by digital lending platforms. These technologies are revolutionising how credit is assessed, disbursed, and collected, thereby improving the efficiency, accuracy, and inclusivity of the lending process.

## Micro, Small, and Medium Enterprises (MSME) Lending

India's MSME sector, the second largest in the world, comprises over 3 crores registered MSMEs on the Udyam portal and contributes around 30% to the country's GDP. This sector represents a significant credit gap of approximately ₹33 trillion, as many enterprises face challenges in securing sufficient funding. An IFC report reveals that formal credit supply meets only \$165 Bn (₹10.9 lakh crores) of the MSME financing demand, which totals ₹69.3 trillion, with 70% needed for working capital. This credit shortfall presents a lucrative opportunity for MSME lenders.

Fintech companies and NBFCs are transforming the MSME lending landscape by resolving creditworthiness issues banks encounter, leveraging alternative data processing and advanced technology. New-age fintech firms are improving risk models for SMEs by creating credit scores for those without previous credit histories, enabling new-to-credit (NTC) customers to access loans. Meanwhile, NBFCs have significantly expanded their MSME portfolios, meeting the sector's credit needs and promoting financial inclusion and economic growth. NBFC loans to MSMEs are over three times those provided by banks. Compared to the 12.7% and 12.4% year-on-year (YoY) growth in MSME credit by banks as of March 2022 and March 2023, NBFCs' credit growth to MSMEs was 21.2% and

42.4%, respectively. In the first quarter of FY 2023-24, MSME credit demand at NBFCs grew the fastest, at 39%.

Banks are also actively supporting MSMEs. According to the RBI data on sectoral credit deployment, the gross bank credit to MSMEs under priority sector lending reached ₹24.7 lakh crores in March 2024, a 19.2% increase from ₹20.7 lakh crores in March 2023.

## Government Initiatives for MSME Lending

- The Prime Minister's Employment Generation Programme (PMEGP) is a significant credit-linked subsidy initiative aimed at promoting self-employment
- The Pradhan Mantri Mudra Yojna (PMMY) offers loans of up to ₹10 lakhs to non-corporate, non-farm small/micro enterprises
- The PM Vishwakarma Scheme is a Central Sector initiative with a budget allocation of ₹13,000 crores for the period of FY2023-24 to FY 2027-28. This scheme aims to provide comprehensive support to artisans and craftspeople across 18 trades, assisting those who work with their hands and tools
- The Udyam Assist Platform was launched in January 2023 to integrate Informal Micro Enterprises (IMEs) into the formal MSME sector, enabling them to avail the benefits of Priority Sector Lending
- The Credit Guarantee Scheme for Micro and Small Enterprises enhances the credit delivery system, ensuring the flow of credit to the Micro and Small Enterprise sector without the need for collateral or third-party guarantees, up to a maximum of ₹5 crores

## Company Overview

Established in 2008, DMI Finance Private Limited ("**DMI Finance/Company**") is a prominent and rapidly expanding NBFC. DMI Finance's journey has been that of constant evolution. While the Company started with real estate lending, it ventured into digital lending in 2017 with the core vision to simplify credit access for consumers.

DMI Finance is leveraging innovative strategies to redefine lending practices and emerged as a disruptor in the digital consumer lending sector. The inception of its digital lending division coincided with the nascent stages of India Stack, allowing the company to recognise and harness its transformative potential. Since the commercial launch of its consumer lending services in 2017, the Company has completely revamped the lending process, prioritising digitalisation to provide customers with a superior experience compared to traditional lending models. This approach has enabled the company to serve more than 15 million customers as of March 2024.

## Opportunities and Threats

### Opportunities

#### **Resurgent economic activity**

A boost in economic activity presents a robust opportunity for DMI Finance. As the economy rebounds, consumer and business confidence rises, leading to increased spending, investment, and borrowing. This economic momentum boosts demand for a variety of financial products and services, creating a fertile environment for growth.

For DMI Finance, this resurgence means a heightened demand for personal and business loans, as individuals seek to finance major purchases and investments, and businesses looking to expand operations, upgrade technology, and capitalise on new opportunities.

#### **Growing resilient middle-income segment with diverse and growing financial needs**

The expanding resilient middle-income segment offers a substantial opportunity for DMI Finance, alongside the growing MSME sector in India, which presents increasing demand for loans. As this demography grows, so do their diverse financial needs. Middle-income individuals, MSMEs and families are increasingly seeking a range of financial products and services, including Microfinance, personal loans, home loans, personal investments, and wealth & asset management.

#### **Financial Inclusion**

Developing products and services aimed at financial inclusion can tap into underserved and unbanked populations. By offering micro-loans, affordable credit, and accessible financial education, DMI Finance can expand its customer base and fulfil a significant social need.

#### **Growing Technology Adoption and Expanding Digital Services**

The increasing adoption of technology and the expansion of digital services present significant opportunities for DMI Finance. Digital platforms enable DMI Finance to reach a broader audience, enhance operational efficiency, and offer innovative financial products. By leveraging advanced technologies such as AI and automation, DMI Finance can further streamline operations, reduce costs, and improve customer experiences with personalised, real-time services. Additionally, expanding digital services promotes financial inclusion, allowing DMI Finance to tap into underserved markets. Embracing these technological advancements positions DMI Finance to meet evolving customer expectations and drive sustainable growth.

### Threats

#### **Macro-economy fluctuation**

In recent times, the Company have witnessed a direct impact of growing geopolitical tensions on the financial sector. These tensions have led to higher inflation and increased interest rates, which may adversely affect the business of DMI Finance. Additionally, economic downturns or fluctuations can undermine the financial stability of customers, leading to higher default rates and negatively impacting the overall performance of NBFCs.

## **Rising competition from NBFC**

DMI Finance, a notable player in the non-banking financial company (NBFC) sector, encounters increasing competition within the industry. The entry of new NBFCs, especially those targeting the same customer segment could lead to reduced opportunities for existing NBFCs including DMI Finance if the overall market does not expand at the desired pace.

## **Regulatory Changes**

Regulatory changes pose a significant threat to DMI Finance and other NBFCs. The financial sector is subject to frequent modifications in regulatory frameworks, which can create compliance challenges and operational uncertainties. New regulations might require substantial adjustments in business practices, additional reporting requirements, or increased capital reserves. These changes can lead to higher operational costs and divert resources from growth initiatives.

## **Technological Advancements**

Technological advancements present a dual-edged sword for DMI Finance. While they offer opportunities for innovation and improved efficiency, they also pose significant threats. Rapid technological changes require substantial investment in new systems and continuous updates, which can be costly and resource intensive. Additionally, the swift pace of technological evolution can make existing systems and processes obsolete, necessitating frequent upgrades and overhauls.

Moreover, keeping up with technological advancements is essential to meet the rising expectations of tech-savvy customers who demand seamless, fast, and secure financial services. Falling behind in technology can lead to a loss of competitive edge as new entrants equipped with the latest technology may offer more attractive services.

## **Financial Performance**

(₹ in Million)

Particulars	March 2024	March 2023
Revenue from Operations	26,467.79	16,372.16
Other Income	219.50	192.90
Total Revenue	26,687.29	16,565.06
Total Expenses	21,211.23	12,186.48
PAT	4,166.38	3,240.16
CRAR	*44.76%	50.87%
GNPA	3,226.26	2,706.39
NNPA	1,932.33	1,101.28
Net Owned Funds	64,764.41	38,997.43

\* Reserve Bank of India (RBI) vide circular dated November 16, 2023 on Regulatory measures towards consumer credit and bank credit to NBFCs increased risk weight on consumer credit exposure from 100% to 125% which had an impact of 986 bps on CRAR. On risk weight of 100%, capital adequacy ratio (including Tier-II capital) stood at 54.62% as on March 31, 2024.

## **Human Resource**

DMI Finance is a people-centric organization with a strong belief in empowering its employees and creating a culture of equality, transparency, and respect. The Company provides a nurturing and conducive environment that helps attract amongst the best talent in the market and provides them with a platform that they can use to shape their careers. With a strong focus on growth, the Company strives to build a strong pipeline of leaders by offering unlimited growth opportunities, for those who



chase excellence. The Company actively encourages them to engage in ongoing upskilling and re-skilling efforts, as it recognises the significance of personal development for both their own growth and the success of its business.

## **Risk management**

Effective risk management is integral to implementing successful strategies and achieving operational objectives. The Company recognises the inherent nature of certain risks and endeavours to strike a balance between managing these risks and capitalising on opportunities. Operating in the financial services sector, the Company is exposed to various risks, including strategic, operational, and financial risks. To manage these risks effectively, the Company follows a structured approach. Initially, the business team assists in identifying key risks and continues to track and manage them. Additionally, DMI Finance has implemented a robust risk management system to continuously monitor emerging risks and implement appropriate mitigation measures. Moreover, internal and external audits provide a comprehensive and independent assessment of the Company's risk identification, monitoring, and control frameworks.

## **Internal Control Systems and Their Adequacy**

The Company has established robust internal control systems tailored to its size and industry, reflecting its strong culture of integrity and ethics. These internal controls facilitate efficient business operations, safeguard assets, prevent fraud/errors, and ensure regulatory compliance. Regular monitoring of the adequacy, effectiveness, and usefulness of financial and operational controls is conducted through this framework. The internal audit function plays a crucial role in this process by conducting risk-based audits and regularly reviewing financial, operational, and compliance controls. The Audit Committee of the Board of Directors oversees the annual audit plan and key audit findings. Any deviations identified are promptly addressed, and corrective actions are taken to foster the internal control framework.

## **Cautionary Statement**

The Management has formulated and holds accountability for the financial statements presented in this report. These statements adhere to the accounting principles generally accepted in India and incorporate figures based on informed judgments and estimates. It is important to note that all projections, estimates, and expectations outlined in this report should be regarded as 'forward-looking statements' that are subject to influence from a range of internal and external risks. Risks related to the market, strategy, technology, operations, and stakeholders have the potential to substantially impact the business, leading to actual results that may significantly differ from those expressed or implied.