

**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> |



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| <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>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>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 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**

**i. Impairment of financial assets**

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

In accordance with Ind AS 109, the Group is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Group is required to determine lifetime losses on financial instruments where credit risk has increased materially since its origination. For other instruments, the Group is required to recognize credit losses over next 12 month period. The Group has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Group 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 Group has assessed that all standard exposures (i.e. exposures with no overdue) and exposure upto 30 day overdues fall under this category. In accordance with Ind AS 109, the Group 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 Group classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Group 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 Group 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 Group 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 Group.

Exposure at default (EAD) - It represents an estimate of the exposure of the Group 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 Group. 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 Group uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

**iii. Definition of Default and cure**

The Group 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 Group 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 Group also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Group 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 Group'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 Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 Group 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 Group'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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group 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 Group'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 Group is not associated with geographical segmentation, hence there is no secondary segment.

**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 Group.





**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' 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' share of post-acquisition profit and loss, and the Company' 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 |                 |
| Appnit 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**

(f) 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.

**(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**  
**Notes to the consolidated 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 Group is required to measure expected credit losses on its financial instruments designated at amortized cost and fair value through other comprehensive income. Accordingly, the Group is required to determine lifetime losses on financial instruments where credit risk has increased materially since its origination. For other instruments, the Group is required to recognize credit losses over next 12 month period. The Group has an option to determine such losses on individual basis or collectively depending upon the nature of underlying portfolio. The Group 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 Group 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 Group 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 Group classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Group 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 Group 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 Group 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 Group.

Exposure at default (EAD) - It represents an estimate of the exposure of the Group 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 Group. 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 Group uses historical loss data/external agency LGD for identified pools for the purpose of calculating LGD.

**iii. Definition of Default and cure**

The Group 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 Group 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 Group also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the Group 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 Group'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 Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 Group 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 Group'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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group 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 Group'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 Group is not associated with geographical segmentation, hence there is no secondary segment.

**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 Group.



**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   | 19 (a) |                      |                      |
| (i) total outstanding dues of micro and small enterprises                       |        | 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   | 19 (b) |                      |                      |
| (i) total outstanding dues of micro and small enterprises                       |        | -                    | -                    |
| (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



Place: Gurugram  
Date: May 16, 2024

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


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

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

Place: New York  
Date: May 16, 2024

Place: New Delhi  
Date: May 16, 2024

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



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<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|-------|--------------------------------------|--------------------------------------|
| <b>Revenue from operations</b>  |       |                                      |                                      |
| Interest income   | 29    | 25,302.45                            | 15,970.05                            |
| Dividend income   | 29A   | -                                    | 3.34                                 |
| Fees and commission income  | 30    | 754.28                               | 265.41                               |
| Net gain on fair value changes  | 31    | 487.85                               | 199.06                               |
| <b>Total revenue from operations</b>  |       | <b>26,544.58</b>                     | <b>16,437.86</b>                     |
| Other income  | 32    | 195.59                               | 182.56                               |
| <b>Total Income</b>   |       | <b>26,740.17</b>                     | <b>16,620.42</b>                     |
| <b>Expenses</b>   |       |                                      |                                      |
| Finance costs   | 33    | 4,867.53                             | 3,018.66                             |
| Fees and commission expense   | 34    | 1,758.82                             | 1,357.13                             |
| Impairment on financial instruments   | 35    | 9,148.66                             | 4,012.20                             |
| Employee benefits expense   | 36    | 1,696.66                             | 1,281.61                             |
| Depreciation, amortization and impairment   | 37    | 117.44                               | 108.91                               |
| Other expenses  | 38    | 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   | 49    | 2,226.24                             | 1,523.02                             |
| (2) Deferred tax  | 49    | (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>Add: Share of (Loss) of associate</b>  |       | <b>(20.99)</b>                       | <b>(54.67)</b>                       |
| <b>Add: Share of (Loss) of Joint venture</b>  |       | <b>(36.45)</b>                       | -                                    |
| <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>                         | 39    |                                      |                                      |
| 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/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: U64990DL2008PTC182749

Shivashish Chatterjee  
(Jt. 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

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  
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<br>March 31, 2024 | For the year ended<br>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   | (54,239.17)                          | (20,087.42)                          |
| Direct taxes paid (net of refunds)  | (2,175.69)                           | (1,425.64)                           |
| 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<br>(including capital work-in-progress)/ intangible<br>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)                              | (70.67)                              |
| 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:**

|   |                      |                      |
|---|----------------------|----------------------|
| <b>1) Components of cash and cash equivalents</b>     | 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. 000050N/N500045  
Chartered Accountants

Manish Surana  
Partner  
Membership No. 503812



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

Shivashish Chatterjee  
(Jt. Managing Director)  
DIN: 02623450

Place: New York  
Date: May 16, 2024

Jatinder Pal Singh Bhasin  
(Interim Chief Financial Officer)

Place: New Delhi  
Date: May 16, 2024

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

Place: New Delhi  
Date: May 16, 2024





Place: Gurugram  
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<br>March 31, 2024 | As at<br>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<br>Months | 6 months- 1<br>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>-</b>            | <b>-</b>   | <b>-</b>  | <b>3.86</b>      | <b>68.86</b> |

**As at 31 March 2023**

| Particulars   | less than 6<br>Months | 6 months- 1<br>year | 1 -2 years | 2-3 years | More than 3 year | Total         |
|---|-----------------------|---------------------|------------|-----------|------------------|---------------|
| Undisputed Trade Receivables - considered good                                | 308.23                | -                   | -          | -         | 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>-</b>            | <b>-</b>   | <b>-</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 | 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           | 2,501.04       | 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         | 111.37  | 661.56   | 905.52   | 765.18         | 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:

| 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 | 2,188.47       | (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 |

| 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          | -        | 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:

| 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         | -       | 37.13   | 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-possession 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>   |                |                                       |  |          |         |          |
| Investments In Associate  |                |                                       |  |          |         |          |
| 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 Radiant Polymers Private Limited**   | -              | -                                     | -  | -        | -       | -        |
| <b>Subtotal</b>   | -              | -                                     | 222.82   | 222.82   | -       | 222.82   |
| <b>Preference shares</b>  |                |                                       |  |          |         |          |
| Investments in Joint Venture  |                |                                       |  |          |         |          |
| Compulsorily convertible preference shares in Ampverse DMI Private Limited  | -              | -                                     | -  | -        | 94.75   | 94.75    |
| Investments in Others   |                |                                       |  |          |         |          |
| 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 |
| <b>Investment in Pass through certificates(unquoted)</b>   | 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 exports | 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<br>March 31, 2024 | As at<br>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<br>March 31, 2023 | (Charged)/ credited<br>to statement of<br>profit and loss | (Charged)/ credited<br>to other<br>comprehensive<br>income | As at<br>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<br>March 31, 2022 | (Charged)/ credited<br>to statement of<br>profit and loss | (Charged)/ credited<br>to other<br>comprehensive<br>income | As at<br>March 31, 2023 |
|--|-------------------------|---|--|-------------------------|
| <b>Liabilities</b>   |                         |   |  |                         |
| Fair value of financial instruments  | 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 Properly, plant and equipment (at cost or deemed cost)**

|                              | Furniture and fixtures | Computers | Vehicles | Office equipment | Lease hold improvements | Total   |
|------------------------------|------------------------|-----------|----------|------------------|-------------------------|---------|
| Gross carrying amount        |                        |           |          |                  |                         |         |
| Balance as at 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                    | (0.06)                 | (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     | 6.41     | 7.99             | 15.45                   | 51.35   |
| Disposals                    | -                      | (11.08)   | (4.11)   | -                | -                       | (17.19) |
| Balance as at March 31, 2024 | 1.97                   | 97.33     | 7.85     | 47.40            | 196.71                  | 351.26  |
| Accumulated depreciation     |                        |           |          |                  |                         |         |
| 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)                 | (9.63)    | -        | (0.02)           | -                       | (9.68)  |
| Balance as at March 31, 2023 | 1.34                   | 57.66     | 4.95     | 31.91            | 78.23                   | 174.19  |
| Charge for the year          | 0.15                   | 23.50     | 1.11     | 5.31             | 20.40                   | 50.47   |
| Disposals                    | -                      | (12.38)   | (1.69)   | -                | -                       | (16.07) |
| Balance as at March 31, 2024 | 1.49                   | 68.78     | 2.37     | 37.22            | 98.63                   | 208.50  |
| Net carrying amount          |                        |           |          |                  |                         |         |
| 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 Properly, 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**

| (a) Capital work in progress   |                             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |                      |       |
|--------------------------------|-----------------------------|-------------------------|-------------------------|----------------------|-------|
| Capital work in progress       |                             | 4.68                    | -                       |                      |       |
|                                |                             | 4.68                    | -                       |                      |       |
| As at 31 March, 2024           | Amount in CWIP for a period |                         |                         |                      |       |
|                                | Less than<br>1 year         | 1-2 years               | 2-3 years               | More than<br>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<br>1 year         | 1-2 years               | 2-3 years               | More than<br>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: 4.05 millions)

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

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

| Particulars                 | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------|-------------------------|-------------------------|
| Cost or deemed cost         | 253.53                  | 253.53                  |
| Accumulated impairment loss | -                       | -                       |
|                             | <b>253.53</b>           | <b>253.53</b>           |

| Particulars  | As at<br>March 31, 2024 | As at<br>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                             | <b>253.53</b>           | <b>253.53</b>           |

| Particulars  | As at<br>March 31, 2024 | As at<br>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                             | <b>253.53</b>           | <b>253.53</b>           |

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

Note: For other details please refer Note 48

16 Other Intangible assets

|                              | Software     | Total        |
|------------------------------|--------------|--------------|
| Gross carrying amount        |              |              |
| Balance as at April 01, 2022 | 65.20        | 65.20        |
| Additions                    | 5.95         | 5.95         |
| Disposals                    | -            | -            |
| Balance as at March 31, 2023 | <b>71.15</b> | <b>71.15</b> |
| Additions                    | 21.64        | 21.64        |
| Disposals                    | (3.21)       | (3.21)       |
| Balance as at March 31, 2024 | <b>89.58</b> | <b>89.58</b> |
| Amortization                 |              |              |
| Balance as at April 01, 2022 | 33.80        | 33.80        |
| Additions                    | 15.69        | 15.69        |
| Disposals                    | -            | -            |
| Balance as at March 31, 2023 | <b>49.49</b> | <b>49.49</b> |
| Additions                    | 17.18        | 17.18        |
| Disposals                    | (3.06)       | (3.06)       |
| Balance as at March 31, 2024 | <b>58.61</b> | <b>58.61</b> |
| Net carrying amount          |              |              |
| As at March 31, 2022         | <b>31.41</b> | <b>31.41</b> |
| As at March 31, 2023         | <b>21.66</b> | <b>21.66</b> |
| As at March 31, 2024         | <b>30.97</b> | <b>30.97</b> |





**DMI Finance Private Limited**  
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|  | As at<br>March 31, 2024 | As at<br>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**  
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|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>19 Payables</b>  |                         |                         |
| <b>a. Trade payables</b>  |                         |                         |
| i. Total outstanding dues of micro and small enterprises<br>(See note "B" below)              | 25.33                   | 8.97                    |
| ii. Total outstanding dues of creditors other than micro enterprises and<br>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<br>(See note "B" below)              | -                       | -                       |
| ii. Total outstanding dues of creditors other than micro enterprises and<br>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<br>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<br>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<br>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<br>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**  
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**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<br>March 31, 2024 | As at<br>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.



**DWI Finance Private Limited**  
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**20.1 Terms of redeemable non-convertible debentures (NCD's)**

| <b>A Secured</b> |                   |                    |                             |        |                  |                 |
|------------------|-------------------|--------------------|-----------------------------|--------|------------------|-----------------|
| ISIN             | Date of allotment | Date of redemption | Nominal value per debenture | Number | Rate of interest | Face value      |
| INE604007159     | June 30, 2020     | June 30, 2023      | 1,000,000                   | 500    | 9.00%            | 500             |
| INE604007175     | November 28, 2023 | August 22, 2025    | 100,000                     | 20,000 | 9.75%            | 2,000           |
| INE604007183     | January 24, 2024  | July 24, 2026      | 100,000                     | 5,000  | 9.80%            | 500             |
| <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>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**

| <b>Unsecured</b> |                   |                    |  |        |                  |               |
|------------------|-------------------|--------------------|--|--------|------------------|---------------|
| ISIN             | Date of allotment | Date of redemption | Nominal value per unit/ per commercial paper | Number | Rate of interest | Face value    |
| INE604014049     | March 28, 2024    | June 14, 2024      | 500,000                                      | 500    | 9.05%            | 245.44        |
| <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)**

| <b>Secured</b> |                   |                    |                             |        |                      |                 |
|----------------|-------------------|--------------------|-----------------------------|--------|----------------------|-----------------|
| ISIN No.       | Date of allotment | Date of redemption | Nominal value per debenture | Number | Rate of interest     | Face value      |
| INE604007167   | October 21, 2022  | October 21, 2024   | 100,000                     | 1,500  | As per Table Below * | 1,500.00        |
| <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%                                   | -            |

24 Months from the date of Allotment. Coupon is payable on/at maturity.



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|   | As at<br>March 31, 2024 | As at<br>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                           | -                                |





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|                                      |       |                           |                  |                  |
|--------------------------------------|-------|---------------------------|------------------|------------------|
| 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

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

viii) 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.

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

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

xi) 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.

xii) 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.

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



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|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>22 Lease liabilities</b>               |                         |                         |
| Lease liabilities (refer note 48)         | 265.29                  | 242.29                  |
|   | <u>265.29</u>           | <u>242.29</u>           |
| <b>23 Other financial liabilities</b>     |                         |                         |
| Interest accrued but not due              | 282.25                  | 208.49                  |
| - Debt securities                         | 206.49                  | 75.49                   |
| - Borrowings other than debt securities   | <u>488.74</u>           | <u>283.98</u>           |
| <b>24 Provisions</b>                      |                         |                         |
| Provision for gratuity (refer note 40)    | 56.01                   | 41.69                   |
| Provision for compensated absences        | 83.43                   | 60.62                   |
|   | <u>139.44</u>           | <u>102.31</u>           |
| <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                    |
|   | <u>439.65</u>           | <u>261.79</u>           |



**DMI Finance Private Limited**  
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**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.



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**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**  
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**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**

Balance at the beginning of the year  
Share of profit/(loss) for the year  
Balance at the end of the year

| As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------|-------------------------|
| 26.65                   | 29.13                   |
| (3.55)                  | (2.48)                  |
| <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<br>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<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------|-------------------------|
| 369.63                  | 152.82                  |
| 135.72                  | 103.74                  |
| 134.51                  | 7.39                    |
| 150.00                  | 37.85                   |
| 197.72                  | 184.67                  |
| 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<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------|-------------------------|
| 198.66                  | 48.02                   |
| 258.23                  | 89.74                   |
| (59.57)                 | (41.72)                 |
| (56.02)                 | (39.24)                 |
| (3.55)                  | (2.48)                  |
| 0.08                    | 0.08                    |
| 0.08                    | 0.08                    |
| -                       | -                       |
| <b>(59.49)</b>          | <b>(41.64)</b>          |

Note: Above numbers are gross.





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**27 Other equity**

|  | As at<br>March 31, 2024 | As at<br>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>        |
| <br><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)                 | -                       |
| <b>Closing balance</b>   | <b>46,561.46</b>        | <b>25,711.77</b>        |
| * Includes 18.63 millions incurred in previous financial year.   |                         |                         |
| <br><b>Capital redemption reserve</b>  |                         |                         |
| Opening balance  | 81.21                   | 81.21                   |
| Add : Additions during the year  | -                       | -                       |
| <b>Closing balance</b>   | <b>81.21</b>            | <b>81.21</b>            |
| <br><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                  |
| <b>Closing balance</b>   | <b>2,574.33</b>         | <b>1,741.05</b>         |
| <br><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)                  |
| <b>Closing balance</b>   | <b>501.65</b>           | <b>305.07</b>           |
| <br><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)                 | -                       |
| <b>Closing balance</b>   | <b>100.93</b>           | <b>74.80</b>            |
| <br><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)                |
| <b>Closing balance</b>   | <b>9,977.52</b>         | <b>6,833.23</b>         |
| <br><b>Upfront monies received on share warrant</b>  |                         |                         |
| Opening balance  | 0.72                    | 0.50                    |
| Add : Amount received during the year  | -                       | 0.22                    |
| <b>Closing balance</b>   | <b>0.72</b>             | <b>0.72</b>             |
| <br><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                  | -                       |
| <b>Closing balance</b>   | <b>861.02</b>           | <b>860.05</b>           |
| <br><b>Share application money pending allotment</b>   |                         |                         |
| Opening balance  | -                       | -                       |
| Add: Amount received during the year   | 1.84                    | -                       |
| <b>Closing balance</b>   | <b>1.84</b>             | <b>-</b>                |



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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  | -  |
|                                    | -   | 25,143.72                                      | 158.73   | 106.92  | 15,686.12                                      | 177.01   |
| <b>Total Interest Income</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>v</sup>                                 |                           |                           |
| Realised  | 370.60                    | 339.28                    |
| Unrealised  | 117.25                    | (140.22)                  |
|   | <b>487.85</b>             | <b>199.06</b>             |

<sup>v</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  
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**34 Fees and commission expense**

Selling partner commission  
Others

| Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|------------------------------|------------------------------|
| 1,584.00                     | 1,329.74                     |
| 174.82                       | 27.39                        |
| <b>1,758.82</b>              | <b>1,357.13</b>              |

**35 Impairment on financial instruments**

Expected credit loss allowance  
Write offs

|                 |                 |
|-----------------|-----------------|
| (116.81)        | 461.24          |
| <b>9,265.47</b> | <b>3,550.96</b> |
| <b>9,148.66</b> | <b>4,012.20</b> |

**36 Employee benefits expense**

Salaries, wages and bonus  
Contribution to provident and other funds  
Gratuity expenses (refer note 40)  
Share based payment to employees \*\*  
Staff welfare expenses

|                 |                 |
|-----------------|-----------------|
| 1,243.39        | 1,074.65        |
| 19.16           | 16.30           |
| 17.71           | 14.29           |
| 351.42          | 134.22          |
| 64.98           | 42.15           |
| <b>1,696.66</b> | <b>1,281.61</b> |

\*\* Includes 14.41 millions (Previous year : 12.39 millions) of warrants issued by Group Company (DMI Housing Finance) to employees of the Holding Company

**37 Depreciation and amortization**

Depreciation on property, plant and equipment (See note 12)  
Amortisation of right of use assets (See note 15)  
Amortisation of other intangible assets (See note 16)

|               |               |
|---------------|---------------|
| 50.47         | 44.35         |
| 54.79         | 48.87         |
| 12.18         | 15.69         |
| <b>117.44</b> | <b>108.91</b> |

**38 Other expenses**

Advertisement expenses  
Legal and professional fees\*  
Travelling and conveyance expenses  
Auditor's remuneration (refer note 38.1)  
IT expenses  
Rates and taxes  
Rent  
Goods and service tax  
Director's sitting fee  
Corporate social responsibility (refer note 38.2)  
Repair and maintenance  
Insurance expense  
Credit evaluation fee  
Credit rating fee  
Customer onboarding expenses  
Assets held for sale written off  
Collection charges  
Miscellaneous expenses

|                 |                 |
|-----------------|-----------------|
| 54.90           | 25.31           |
| 1,377.37        | 915.44          |
| 68.90           | 75.43           |
| 5.58            | 5.09            |
| 650.04          | 491.85          |
| 28.54           | 7.44            |
| 9.76            | 10.76           |
| 736.43          | 420.12          |
| 0.84            | 0.76            |
| 37.21           | 16.88           |
| 24.70           | 26.20           |
| 4.76            | 1.50            |
| 585.48          | 328.60          |
| 18.14           | 9.93            |
| -               | 0.06            |
| -               | 69.17           |
| 137.44          | -               |
| 92.47           | 112.41          |
| <b>3,832.56</b> | <b>2,516.95</b> |

\* Includes share warrant expense amounting to Rs. 8.76 millions (previous year Rs. 40.79 millions)

**38.1 Auditor's remuneration (excluding applicable taxes)**

- as auditors  
- for tax audit  
- for other services  
- out of pocket expenses

|             |             |
|-------------|-------------|
| 3.60        | 3.36        |
| 0.35        | 0.36        |
| 1.30        | 1.12        |
| 0.33        | 0.25        |
| <b>5.58</b> | <b>5.09</b> |



**DMI Finance Private Limited**  
**Notes to Consolidated Financial Statements**  
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**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<br>March 31, 2024 | Year ended<br>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>                 |
| <b>Yet to be paid in cash</b>                                   | <b>1.01</b>                  | <b>-</b>                     |
| <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<br>March 31, 2024 | Year ended<br>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**  
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**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<br>March 31, 2024 | As at<br>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<br>March 31, 2024 | Year ended<br>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:

|   |                        |                        |
|---|------------------------|------------------------|
| <b>Economic assumptions</b>                           |                        |                        |
| Discount rate   | 7.11%                  | 7.36%                  |
| Future salary increases                               | 6.00%                  | 6.00%                  |
| <b>Demographic assumptions</b>                        |                        |                        |
| 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**  
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**Sensitivity analysis for gratuity liability**

**Impact of the change in discount rate**

Impact due to increase of 0.50 %  
Impact due to decrease of 0.50 %

**Impact of the change in salary increase**

Impact due to increase of 0.50 %  
Impact due to decrease of 0.50 %

| Year ended<br>March 31, 2024 | Year ended<br>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<br>March 31, 2024 | As at<br>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>            |



41. Employee Stock Option Plan

1. 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               | 4/1/2022           | 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               | 3/1/2025           | 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               | 8/12/2025          | As per plan        | 212.81                    | 212.81                           |
| Employment Contract - Aug'22 - I               | 12-Aug-22     | 8/12/2022                          | -                         | Shares               | See Below               | 8/25/2025          | As per plan        | 217.77                    | 217.77                           |
| Employment Contract - Aug'22 - II              | 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     | 5/20/2022                          | 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 - 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               | 52.82              | 3.37                   |
| DMI Finance ESOP Plan 2018       | 1.15                | 3.51               | 2.36                   |



DMI Finance Private Limited  
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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                | 23,038   | -                       | 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  | -                       | -                         | 7,074                  | 7,073                              | 0.50   |
| DMI ESOP Plan, Management Scheme - II          | 586,222  | -                       | 32,794                    | -                      | 579,148                            | 0.50   |
| DMI ESOP Plan, Legacy Scheme                   | 214,148  | -                       | 7,497                     | 14,154                 | 281,354                            | 0.00   |
| DMI ESOP PLAN 2019                             | 646,899  | -                       | -                         | 65,000                 | 625,248                            | 1.00   |
| Founder Circle Award 2019-20 (NBFC Apr'20)     | 1,400,000  | -                       | -                         | -                      | 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                   | -  | 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>24,741</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%          |                | 113.29               | 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               | 86.09             |
| Employment Contract - Oct'23                   | 276.54                            | 19.08%     | 7.72%          |                | 281.84               | 95.44             |
| Employment Contract - Jan'24                   | 285.69                            | 18.09%     | 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**  
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**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 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 13 Apr 2023)   |
| Mr. Masakazu Osawa         | Additional Director (w.e.f 13 Apr 2023),<br>Nominee Director (w.e.f 28 Sep 2023) |
| Ms. Shilpi Varshney        | Company Secretary<br>(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 Wadhwa 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. Malika Singh  
Ms. Promita Chatterjee

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

K2V2, 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**

Ganesha Fixed Income Limited

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

| Name of related party  | Nature of transaction   | For the year ended<br>March 31, 2024 | For the year ended<br>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                               | -                                    |
| Ganesha 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)

| Name of related party                  | Nature of transactions  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|---|--------------------------------------|--------------------------------------|
| Mr. Sahib Pahwa                        | Remuneration<br>Loan granted<br>Options exercised<br>Reimbursement of expenses<br>Repayment of loan granted | 5.59<br>7.79<br>5.20<br>0.01<br>7.79 | 6.03<br>-<br>-<br>-<br>-             |
| Mrs. Bina Singh                        | Sitting fee<br>Reimbursement of expenses  | 0.18<br>0.13                         | 0.14<br>-                            |
| Mr. Yuvraja Chanakya Singh             | Remuneration<br>Post employment benefits  | 61.06<br>0.36                        | 42.56<br>0.36                        |
| Mr. Shivashish Chatterjee              | Remuneration<br>Post employment benefits<br>Reimbursement of expenses                                       | 60.70<br>0.36<br>7.56                | 41.40<br>0.36<br>-                   |
| Mrs. Jayati Chatterjee                 | Sitting fees  | 0.24                                 | 0.24                                 |
| Mr. Gurcharan Das                      | Sitting fees  | 0.16                                 | 0.14                                 |
| Mr. Nipender Kochhar                   | Sitting fees<br>Loan granted<br>Interest income on loan<br>Warrants exercised<br>Repayment of loan granted  | 0.26<br>5.21<br>0.02<br>5.21<br>5.23 | 0.24<br>-<br>-<br>-<br>-             |
| Mr. Vivek Wadhwa*                      | Remuneration<br>Reimbursement of expenses   | 11.36<br>0.06                        | -<br>-                               |
| Mr. Krishan Gopal                      | Remuneration<br>Loan granted<br>Options exercised<br>Repayment of loan granted                              | 3.16<br>0.81<br>0.67<br>0.81         | 10.69<br>-<br>-<br>-                 |
| 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<br>March 31, 2024      | As at<br>March 31, 2023          |
|--|--|------------------------------|----------------------------------|
| DMI Alternatives Private Limited   | Employee Stock<br>Option Plan<br>recoverable<br>Trade Receivable<br>Investment in equity | 6.58<br>-<br>33.96<br>-<br>- | 4.10<br>-<br>26.98<br>71.63<br>- |
| DMI Housing Finance Private Limited  | Employee Stock<br>Option Plan payable<br><br>Corporate<br>Guarantee                      | 39.66<br>-<br>-<br>-         | 22.45<br>-<br>-<br>3,878.97      |
| Ganesha Fixed Income Limited   | Borrowings from<br>Non-convertible<br>debentures   | -<br>-                       | -<br>134.00                      |
| DMI Infotech Solutions Private Limited (formerly known as DMI Consumer Credit Private Limited) | Investment in equity<br>Investment in optionally convertible<br>debentures               | 3.58<br>752.88               | 3.48<br>-                        |
| Ampverse DMI Private Limited   | Investment in compulsorily convertible<br>preference shares                              | 94.75                        | -                                |



**DMI Finance Private Limited**  
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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 |
|----------------------|----------------------|
| 43.88%               | 49.94%               |
| 0.88%                | 0.93%                |
| 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

i. Income tax (note 2)

| As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|
| -                    | 3,878.97             |
| -                    | 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 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 |
|----------------------|----------------------|
| 7.17                 | 4.05                 |
| 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**  
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**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 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          |
| <b>Over 5 years</b>           | <b>70.70</b>   | <b>36.18</b>   |
| <b>Total</b>                  | <b>265.29</b>  | <b>242.29</b>  |



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**49 Tax expenses**

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

|   | Year ended<br>March 31, 2024 | Year ended<br>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<br>March 31, 2024 | Year ended<br>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>              |



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**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> |





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**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   | 11,957.34    | 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                | 4,069.62                  | 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                       | 206.50       | -                       | 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> |



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| March 31, 2023                                    | Financial services | Government | Real estate     | MSME          | Services and manufacturing | Retail           | Others          | Total            |
|---|--------------------|------------|-----------------|---------------|----------------------------|------------------|-----------------|------------------|
| Financial asset                                   |                    |            |                 |               |                            |                  |                 |                  |
| 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>                                     |                      |                      |                          |
| Financial assets                                  |                      |                      |                          |
| 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>                                |                      |                      |                          |
| Financial liabilities                             |                      |                      |                          |
| 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                              | -                                 |



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**52. Financial Instruments**

**Valuation principles**

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

**Valuation governance**

The 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           |
| Compulsory 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 DMIL 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>   | 1,013.10      | 10.10  | 194.11                                  | 514.24              | 367.91        | 1,779.56                             | 434.44                             | 34.50                                      | 4,347.96   |
| 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>   | 1,365.35      | 9.73   | -                                       | 537.43              | 137.80        | 2,160.27                             | -                                  | 34.50                                      | 4,245.08   |
| 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>   | 222.82        | 5.80   | -                                       | 213.39              | 104.87        | -                                    | 752.88                             | 194.51                                     | 1,494.27   |

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



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

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

| March 31, 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 Credit Private Limited) | 752.88                       | Discounted Cash Flows of Instrument                                   | Discount margin / spread        |
| Compulsorily convertible preference shares in in Alchemist Asset Reconstruction Company Limited   | 34.50                        | Discounted Projected Cash Flows                                       | Instrument price                |
| 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>1,494.27</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                |
| Compulsorily 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.





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

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

| Particulars   | March 31, 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**  
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- 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<br>March 31, 2024 | As at<br>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**

- 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.
- No penalties were imposed by the regulator during the year during the financial year ended 31 March, 2024.
- 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.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 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:
  - 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
- 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
  - 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
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 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.
- 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.
- There are no transactions of undisclosed income not recorded in the books of accounts.
- 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.
- The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.
- The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.
- 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.



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**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%)                             | (20.59)         | 0.00%   | -           | (0.52%)                             | (20.99)         |
| Amperverse 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/NS00045  
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 Chatterjee*  
Shivashish Chatterjee  
(Jt. Managing Director)  
DIN: 02623460

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

Place: Gurugram  
Date: May 16, 2024