DMI HOUSING FINANCE

GROWING WITH YOU, INDIA

Annual Report 2022-23

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Download this report & to know more about DMI Housing Finance, please visit: https://www.dmihousingfinance.in/

DMI HOUSING FINANCE KEY NUMBERS FY23

₹12,637 Mn
AUM

₹6,801 Mn
Disbursals

₹1,542 Mn
Total Income

₹355 Mn
PAT

47
Branches

9
States

~13k
Number of Customers

~386
Number of Employees

INDIA IS A YOUNG NATION CHARACTERISED BY THE DREAMS AND ASPIRATIONS OF ITS PEOPLE. INDIA TODAY IS A SHINING STAR IN AN OTHERWISE CHALLENGED GLOBAL ECONOMY AND IS AT THE CUSP OF A TRANSFORMATION JOURNEY DRIVEN BY DEMOGRAPHIC DIVIDEND, URBANISATION AND INCREASING DISPOSABLE INCOME. THIS ASPIRATIONAL AND RESILIENT CHARACTERISTIC OF THE POPULATION TOWARDS IMPROVING THEIR LIVES AND THE LIVES OF THEIR LOVED ONES HAS BEEN THE DRIVING FORCE BEHIND THE COUNTRY'S ABILITY TO WEATHER THE STORMS AND CONTINUE ITS MARCH ON THE PATH OF SUCCESS.

Owning a home continues to be a dream for the majority of people as it signifies a financial and emotional connect. Affordable housing, the segment that DMI Housing Finance caters to, will be the biggest beneficiary of India's growth story. A growing India and a robust economy will provide the necessary ingredients for the sector's growth while fulfilling people's homeownership dreams.

At DMI Housing Finance, we recognise the unique home owning needs of individuals and families and are committed to being a reliable partner in their homeownership journey. Standing at the forefront of progressive development, we continue to focus on leveraging technology and efficiencies while strengthening our core capabilities and partnerships for efficiently meeting our customer needs while delivering innovative and seamless credit experiences.

Maintaining our focus on risk management, innovation, customer-centricity, talent development, and responsible growth, we are committed to building a more scalable and profitable business while creating long-standing value for our customers and our communities.

Together, we will forge ahead, ensuring a solid groundwork for a prosperous and sustainable tomorrow.

GROWING WITH YOU, INDIA

COMPANY OVERVIEW

FACILITATING AFFORDABLE HOUSING LOANS

DMI Housing Finance, is registered as a Housing Finance Company (HFC) with the National Housing Bank (NHB). We started our commercial operations in 2016. Since then, we have expanded our presence across 9 states. We leverage technology and efficiencies to offer easy, sustainable, and customised housing credit solutions to customers and serve them better.

We are a young, dynamic and customer-centric organisation with a focus on providing affordable credit solutions to our customers in an efficient manner. We use technology across the value chain to enable a robust and fast system for loan processing. We aim to continue deriving efficiencies across processes to enable a smooth experience for the customers while enabling their seamless transition into the mainstream credit system.

We offer loans to individuals for different purposes that include the purchase of flats, construction of plots and renovation. As of March 31, 2023, we have helped over 13,000 customers achieve their dream of owning a home.

- Delhi
- Gujarat
- Haryana
- Maharashtra
- Punjab
- Rajasthan
- Uttar Pradesh
- Madhya Pradesh
- Uttarakhand

COMMUNICATION FROM THE MANAGEMENT

Shivashish Chatterjee
Director

Yuvraja C. Singh
Director

Dear Shareholders,

It gives us great pleasure in writing to you again and sharing the performance of your Company for the financial year ended March 31, 2023.

One would have hoped a normal year post the previous two years that saw waves of COVID across the globe, however, FY23 started off with even more concerns for the global economy. Russia's invasion of Ukraine caused a severe disruption in the supply of agricultural produce, fertilisers and movement of goods due to port congestions and container shortages. Russia and Ukraine together account for a significant share of global exports of wheat, corn, fertiliser, platinum, gas & oil, palladium, etc. As a result, the ongoing war and sanctions on Russia accentuated inflationary pressures for food, energy, and manufactured goods leading the inflation across USA, UK, and Eurozone to soar to multi-decadal high.

This rise in inflation was further exacerbated by years of easy money supply to combat COVID. The high inflation pressures and lower economic growth led to stagflation which were exacerbated by synchronised policy tightening by major central banks to combat the high inflation. The collapse of multiple regional banks in the United States, the Swiss government's facilitated takeover of Credit Suisse (CS) by UBS, the worsening cost of capital for financial institutions globally, emerging reports of weakening in credit performance in institutions most directly exposed to higher interest rates and moderating pace of growth are the impact of the most pronounced global monetary tightening cycle in decades.

India, on the other hand has remained a bright spot. Inflation though outside the comfort zone of Reserve Bank of India (RBI), is lower than those observed in the developed economies and seems well under control. India's Gross Domestic Product (GDP) grew 7.2% YoY in FY23 led by services and consumption and places it amongst the fastest growing major economies of the world. India also became the 5th largest economy in the world surpassing the United Kingdom (UK).

India stands at the cusp of a massive transformation. Despite global headwinds, consumer sentiments in India continue to remain strong. The government's push on infrastructure both physical and digital is creating a building block that will drive the next stage of growth. Focus on manufacturing especially through Production Linked Incentive (PLI) schemes is also expected to drive private capex and is expected to make India a global hub for manufacturing.

Credit penetration in India is low even when compared to other developing countries which presents a huge scope for the financial services sector. The mortgage to GDP ratio in India stands at 11% and is low compared to 18% in China and 52% in the United States of America (USA). Even in other Asian economies, the ratio is between 20%-30% indicating a latent demand in the market. The demand is also expected to receive a boost due to supporting factors like favourable demographics, rising income levels, rapid industrialisation, increasing affordability and fiscal support from the government.

DMI Housing Finance

As an organisation, we believe in growing in a sustainable way with a strong focus on prudent lending practices and value system that treats our customers and employees with the utmost respect. We have a dream of building a business that can outlast all of us and it is this long-term focus that has helped us make the right choices and helped us weather the several storms that have troubled the market in general.

A strong foundation is important while building a home as well as nurturing an organisation. Since the commercial launch of our affordable housing finance business in 2016, we have focussed on building a strong foundation. We have put in place robust processes, improved productivity, set up a large talent pool and expanded in a calibrated manner across select geographies where we believe we can add the highest value. While these initiatives often do not yield immediate results, they will be the stepping stones to our success.

Business Performance

FY23 has been a year of growth after the last two COVID-impacted years. The year under review stood as a testimony to our strong strategies and execution plans, further allowing us to withstand challenges and remain an enduring institution.

The Company reported an increase in both the top line and the AUM. Total income grew 30% over FY22 to reach ₹1,542 Mn while the AUM grew 47% during the year to reach ₹12,637 Mn. We also disbursed ₹6,801 Mn during the year, a growth of 125% over the previous year. This growth across parameters was achieved due to sustained efforts put in by the team during the year as well as during the COVID-impacted years. We had used the previous two years to build a strong team, align the team on strategies, reduce inefficiencies in the system, work on product simplification and improve sourcing efforts. We achieved the above-mentioned results without an increase in the branches indicating that we are on the right track.

Our Profit After Tax (PAT) grew 85% YoY to ₹355 Mn. Significant efforts have been made during the year to simplify processes and policies and streamline them so that these can be automated. This has helped in improving employee productivity, monitoring portfolio performance and taking prompt corrective actions.

Our portfolio quality has also improved over the previous year. Gross Non-Performing Assets (GNPA) saw an improvement from 0.97% in FY22 to 0.56% in FY23. Regular monitoring along with focus on early indicators like delays in payments has helped us focus on improving the quality. Good quality sourcing driven by rules-based underwriting and focus on customer engagement has also played an important role. The improvement in portfolio quality while also growing the portfolio and profitability demonstrates our strong commitment to grow responsibly and sustainably.

Interest rates are an important factor in the business of lending. Our borrowing costs as well as the EMIs of our customers are impacted by an increase in the interest rate. RBI increased the policy rates by 250 bps during FY23 to combat inflationary pressures. This however, did not result in a commensurate increase in our borrowing costs and thus the pass-through to our customers was also limited which was well appreciated by our customers. RBI's recent status quo stance on policy rates has provided some relief for the industry and the customers. However, with the central banks of Australia and Canada resuming rate increases following their policy pauses, the scope for future rate hikes remains in India, should the inflation, surprise on the upside.

In Conclusion

There is a huge unmet demand for homes in India as seen in the low home ownership as compared to other economies. While earlier the real estate sector, in general, was plagued by myriad challenges, there has been significant improvement with increasing transparency and improvement in the health of developers. The affordable housing sector has also benefited from the government's focus on providing housing for all and the continued fiscal support to the sector. Multiple tailwinds also exist in the form of strong economic growth, urbanisation, and increasing financial access among others.

There also exist some tailwinds in the form of increasing interest rates and rising property prices, however, the sector presents immense opportunities for growth. Affordable housing finance companies can be the harbinger of change in the lives of their customers and help fulfill the dreams of millions of first-time homeowners. With the necessary ingredients of success viz. people, process, prudent risk management and customer focus already in place, we are well placed to capitalise on these opportunities.

We would like to end by expressing our gratitude to all our customers, employees, and other stakeholders for the trust they have reposed in us. We would also like to thank our investors for their unflinching support. Our special thanks also to our Board members for their guidance. We look forward to your continued support in our growth trajectory as we create long-term value for all our stakeholders.

Warm Regards,

Shivashish Chatterjee
Director

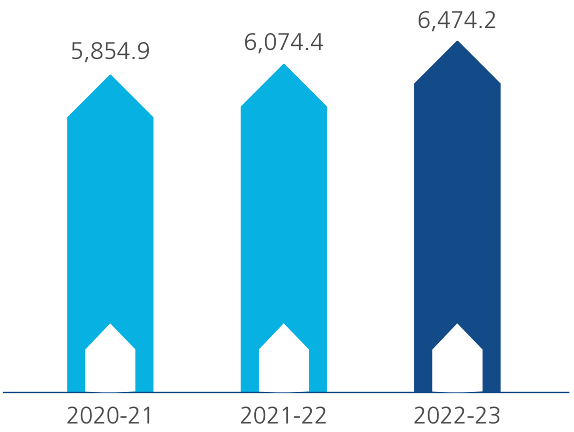
Yuvraja C. Singh
Director

PERFORMANCE HIGHLIGHTS

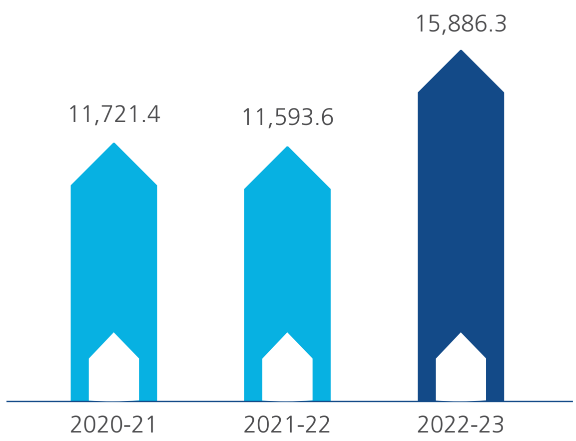
OUR SIGNIFICANT GROWTH IN NUMBERS

We reported strong growth during FY23 backed by an increase in loan book, higher revenues and improved profitability.

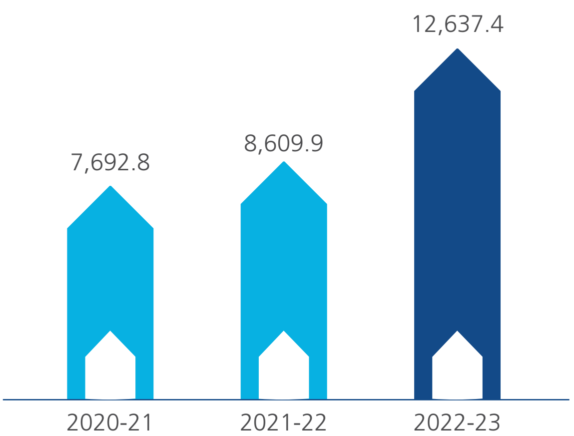
Net Worth (₹ Mn)



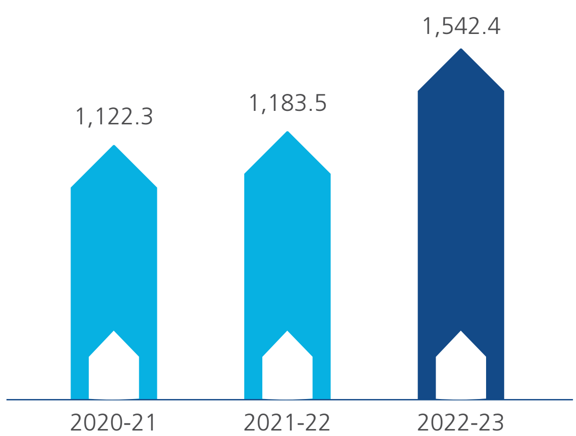
Total Assets (₹ Mn)



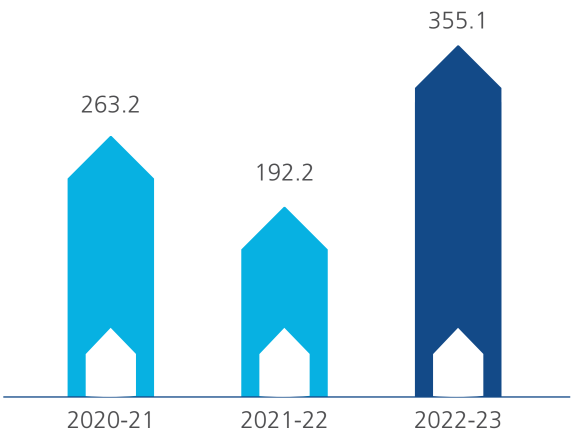
AUM (₹ Mn)



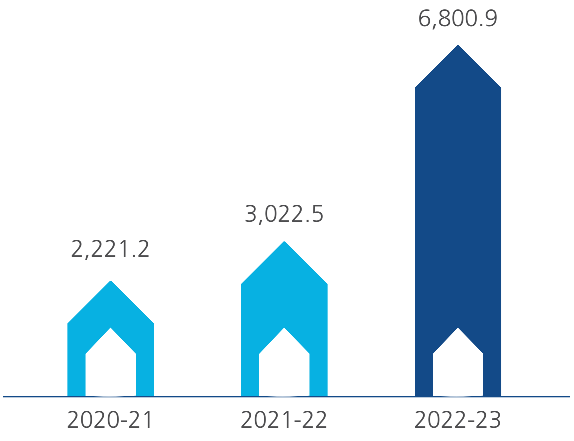
Total Income (₹ Mn)



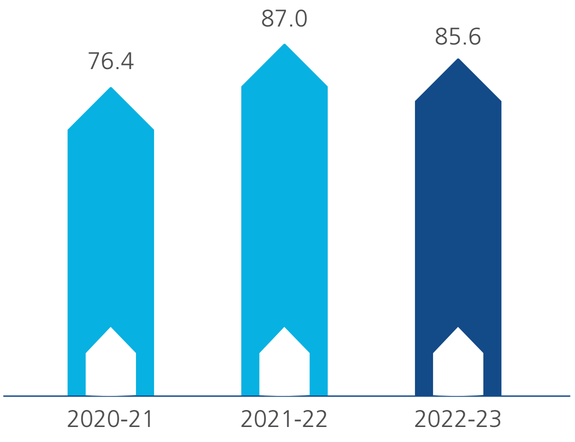
Profit After Tax (₹ Mn)



Disbursals (₹ Mn)



CRAR (%)



SENIOR MANAGEMENT

Shivashish Chatterjee
Director

Shivashish Chatterjee is a Co-Founder of the DMI Group where he is a driving force behind the Group's vision and strategy.

A 25-year veteran of international financial markets, Shivashish Chatterjee brings a wealth of experience in Global Fixed-Income trading and analytics that complements and informs DMI's activities. Shivashish Chatterjee spent most of his Wall Street days at Salomon Brothers, a storied fixed-income powerhouse that was eventually acquired by Citigroup Inc. One of the youngest-ever Managing Directors at Salomon Brothers and Citigroup Inc., he held a wide variety of positions spanning core research in the interest rate and prepayment modelling to trading a range of interest rate derivatives and mortgage-backed securities.

Shivashish Chatterjee became Co-Head of all securitised products trading in North America in 2004 before leaving in 2008 to start DMI. He graduated from Harvard University in 1995 with a Bachelor of Arts degree, Magna Cum Laude in Applied Mathematics. He is very active in Harvard alumni activities in NY City including serving on the Schools Committee for the Greater NYC area. Shivashish is very passionate about technology and is an active angel investor in technology startups.

Yuvraja C. Singh
Director

Yuvraja C. Singh is Co-Founder of the DMI Group, where he is jointly responsible for all aspects of the firm's activities.

Yuvraja C. Singh brings over two decades of experience in finance to his role, with expertise in fixed income structuring, trading and risk management. He began his career in the risk management department at Commodities Corporation, a leading commodity and futures trading firm, now a part of Goldman Sachs. In 1995, Yuvraja C. Singh moved to Wall Street, trading mortgage-backed securities at Lehman Brothers and eventually running the firm's mortgage derivatives desk. In 2000, he took on a new challenge and followed his entrepreneurial passion, becoming a partner at Compro Technologies, a small software development firm in India. In 2003, Yuvraja C. Singh returned to Wall Street and joined the Fixed Income Department at Citigroup, where as a Managing Director he oversaw the agency CMO fixed rate and IO/PO trading desks.

Yuvraja C. Singh is a graduate from Princeton University's class of 1994, with a B.A. in Economics. He currently serves on the Board of Governors of The British School in New Delhi and on the Founders Council of the MS Chadha Center for Global India at Princeton University. He lives in New Delhi with his family.

Rajul Bhargava*
Chief Executive Officer & Executive Director

Rajul heads the DMI Housing Finance business. National merit scholar with over 26 years of exposure across Business development and strategy, P&L management, loan life cycles, and risk management, Rajul has specialised in affordable housing. Prior to DMI Housing Finance, he worked with HDFC Ltd, ICICI Bank, Fullerton India, India Shelter, and DCB Bank. He has a Master's in International Business from DAVV, Indore.

**Elected as Executive Director from April 6, 2023*

Anmol Nayyar
Chief Partnerships Officer

Anmol Nayyar manages strategic relationships, in addition to other key responsibilities across the DMI Group businesses. He has over 15 years of experience in advisory and financial services and as an entrepreneur. He graduated from Reed College in 2000 with a BA (Phi Beta Kappa) and a Juris Doctor degree from the Northwestern College of Law. He is an active angel investor and an advisor to the UK government in relation to entrepreneurship globally.

Jatinder Bhasin

Chief Operating Officer

Jatinder Bhasin oversees the Operations, Compliance and Internal Audit for the DMI Group.

With over twenty years of finance and operations experience, Jatinder has an extensive background in strategic planning, general management, corporate finance, controllership, financial planning and analysis, tax, operations and risk management. Prior to joining DMI, Jatinder spent over 18 years with General Electric, where he was richly exposed to several businesses (Capital, Global Operations, Energy, Lighting) in different stages of the growth cycle across the US, Europe, and Asia. Amongst many roles, Jatinder was the Chief Financial Officer for their Money Servicing business (with operations in India, the Philippines and Guatemala) and was also heading a senior project management role for Global Operations across Asia Pacific.

Jatinder graduated with Bachelor's Degree in Mechanical Engineering in India, before completing MBA (Finance) and MS (Operations Management) from the US. He is also a graduate of GE's prestigious Corporate Audit Staff and Financial Management Programs.

Saurabh Nigam

Group Chief Technology Officer

Saurabh Nigam oversees IT Operations and leads initiatives in IT solutions for the DMI Group.

He has over 20 years of experience managing IT functions in the financial services sector. Prior to joining DMI, he served as the Director IT of CRISIL Limited and has also worked at Computer Age Management Services, Tata Consultancy Services, HCL Technologies and Scandent Solution. He has the distinction of being named among the Top 100 Future CIOs of India in 2013 by IT NEXT magazine.

He has a Master's Degree in Engineering and Business Administration from the Indian Institute of Science (I.I.Sc), Bangalore.

Pooja Malik

Group Head of Human Resources

Pooja Malik has overall responsibility for Human Resource Management for the DMI Group.

A seasoned HR professional, with a successful track record in strategic HR leadership positions, including end-to-end HR Management in varied cultures and industries, Pooja Malik designs and implements initiatives related to HR transformation strategies, talent and performance, compensation, R&R programmes, talent acquisition & sourcing, talent development and engagement programmes across functions and levels.

Sameer Mahajan

National Business Head, Housing Finance

Sameer Mahajan is the National Business Head for DMI Housing Finance.

He has over 19 years of experience in the finance industry with expertise across functions of sales, credit, and operations. Prior to joining DMI, he worked with Indiabulls Housing Finance as a Zonal Business Manager. He helped in setting up the organisation in its initial years and had a major contribution to opening offices in new locations, building up brand recall, and scaling up business numbers. He also worked with ICICI Bank. He has done his MBA in Marketing & Finance from Guru Nanak Dev University Amritsar, Punjab.

BOARD OF DIRECTORS

Shivashish Chatterjee

Director

Shivashish Chatterjee is a Co-Founder of the DMI Group where he is a driving force behind the Group's vision and strategy.

Yuvraja C. Singh

Director

Yuvraja C. Singh is Co-Founder of the DMI Group, where he is jointly responsible for all aspects of the firm's activities.

Rajul Bhargava

Executive Director

Rajul is an Executive Director and heads the DMI Housing Finance business.

Alfred Mendoza

*Director**

Mr. Alfred Mendoza is the Director – Investments and Risk Management for Alternative Assets of New Investment Solutions (N.I.S). He has an experience of 20+ years in the finance industry as he has worked with various companies like UBS Investment Bank as Associate Director – Investment Banking, White Deer Production Company as Principal - Family Office, Thor Equities as a Financial Analyst, Reinvest, SA as an Acquisitions Officer and New York Life Investments as an Assistant Vice President, New York Life Real Estate Investors. He completed his Bachelor of Arts in History from Amherst College followed by a Diploma in Business Studies from the London School of Economics. He holds a post-graduate degree in Master of Business Administration from the University of Chicago.

**Regularised as Director from June 21, 2023*

Nipendar Kochhar

Director

A Chartered Accountant with over 35 years of experience, Nipendar Kochhar is a senior level banker and financial services executive. His expertise includes building, revitalising and strengthening the bottom-line profitability and growth of businesses. He has also masterminded back and front office, finance and technology operations. He has been the Managing Director of Société Générale, the CEO, Citibank (Zurich / New York), the CFO ABN Amro Bank (Singapore / Zurich) and the SVP National Commercial Bank, Saudi Arabia.

Gaurav V. Burman

Director

A fifth-generation member of the family that founded Dabur over 130 years ago, Gaurav Burman is a Director of Dabur International. Managing the investment programme for his family's portfolio of over $1 Bn, he has forged many successful joint ventures over the years. At the same time, he is on the board of various financial services, consumer durables and healthcare companies. He holds a graduate degree from Tufts University with a dual BA in Economics and History.

Gurcharan Das

Director

An author, commentator, public intellectual and a regular speaker, addressing the management of some of the world's leading corporations, Gurcharan Das is on the board of several global advisory companies. He was the CEO of Procter and Gamble (P&G) India, the Managing Director, P&G (Strategic Planning) and the Chairman and Managing Director of Richardson Hindustan. After graduating from Harvard University, he attended Harvard Business School (AMP), where he is featured in three case studies.

BUILDING STRONGER COMMUNITIES

CSR activities for DMI Housing Finance

ASHOKA UNIVERSITY

Extended financial support to Ashoka University, one of the finest liberal arts universities in the world for building additional infrastructure.

OGQ (FOUNDATION FOR SPORTS)

Partnered with Olympic Gold Quest (OGQ) which provides support to Indian athletes to compete in the Olympics and helps them fulfil their dreams of winning gold medals. OGQ was started by Viren Rasquinha, ex-hockey captain of India.

SAMARPAN (ORPHANAGE)

Provided financial aid to Samarpan Foundation which is a charitable not-for-profit entity based in New Delhi. The Foundation provides support across several areas including education, nutrition, women empowerment, animal welfare and healthcare across India.

SPIC MACAY

Aided financial support to SPIC MACAY to enrich the quality of formal education and increase awareness among the youth about Indian heritage and culture.

FATIMA HOSPITAL

Extended financial support to Fatima Hospital, a unit of Purvanchal Gramin Seva Samiti (PGSS). DMI Housing Finance supported Fatima Hospital in its endeavour to provide low cost and effective transportation to critically ill, poor, and needy patients to reach hospitals in a timely manner so as to improve the chances of survival and recovery.

VATSALYA GRAM

Extended financial assistance to Vatsalya Gram to help it in its endeavour to provide full care and family-based rehabilitation of abandoned children and destitute women.

OUR PEOPLE

BUILDING A STRONG TALENT PIPELINE

Our employees are our greatest asset, and we are committed to creating a culture of empowerment and growth for them. We make focussed efforts towards building their capabilities and helping them fulfil their potential.

At DMI, we are driven by a growth mindset and core values of empowerment, transparency, and fairness. We have initiated various measures during the year as part of our continuous focus on building a robust workforce by offering growth opportunities for those pursuing excellence and passionate about following their dreams.

Learning and Development

For empowering our people, we encourage them to be part of a continuous learning journey. We focus on upskilling and re-skilling to build a solid foundation for their development and business growth. Our continuous learning & development journey is holistically designed in collaboration with the employees and includes inputs from their managers and considers an employee's current role and future path.

iLearn@DMI

- We have launched a learning management platform (LMS) "iLearn@DMI" to help our employees learn as per their learning preferences and needs
- The portal is equipped with the latest technical, functional, behavioural and leadership modules and library
- The portal's tracking mechanism facilitates 100% compliance

Strategic Partnerships

- We have partnered with well-known knowledge partners to build functional and managerial capability for high potential people managers
- Introduced a 3-month hybrid learning journey for employees to self-reflect, better understand their teams and colleagues, and equip themselves with the best people management practices

High Potential Identification and Development Programme

The Programme framework which will be implemented in FY 2023-24 involves 4 essential steps:

- Performance evaluation with 180-degree feedback at junior and mid management levels
- Globally renowned and validated potential factors' assessment for mid management & Psychometric and cognitive assessment for junior level employees
- Selected employees get mapped on the 9-box Performance and based on the parameters, a final list is prepared
- A structured career review development dialogue is conducted with Senior Leaders to identify fast-track learning journeys to map individual career aspirations with organisations' talent requirements.

Executive Coaching

We are investing in leaders with the latest leadership, business and technology skills by conducting group learning interventions and one-on-one coaching undertaken by leading external leadership and business coaches. The programme is a blend of interactive workshops and coaching sessions created basis the organisation's ethos. The coaching is intended to empower the leaders to understand their personalities and leverage their strengths to transform teams.

Mentoring Initiative

We are in the process of launching a mentoring initiative to build a culture of mentoring and prepare the leaders with goals, tools, and skills to nurture our High Potential Talent. Senior leaders volunteering for this workshop will be trained on specific mentoring tools and skill sets. They will get an opportunity to mentor 1-2 high potential employees so to develop their capabilities to aid organisational and personal goal achievements.

Annual Goal Setting Process

Our goal setting process facilitates cross-functional collaboration and dynamic thinking to enable employees to work towards achieving their aspired performance and aligning the same with the Company's broader objectives. All people managers get an opportunity to understand stakeholders' expectations that includes founders, CEO/business heads, and other Function leaders. Internal customers share function-wise key expectations and highlight areas of positive dissatisfaction. Functional goals are then cascaded down the level to align every team member's goals.

Continuous Feedback

A culture of regular and candid feedback is nurtured where the Reporting Manager, Skip-level Manager and Functional Leaders provide motivation, free-spirited learning, support, and creativity. It helps in understanding the ongoing pulse of the organisation and helps in figuring out solutions based on the feedback/challenges shared by employees.

Compensation and Benefits

Our compensation philosophy is guided by our intent to spread the inducements across numerous desired behaviours – meritocracy, transparency, innovation, process excellence and teamwork among others. We have Employee Stock Option Plans (ESOPs) for providing wealth creation opportunities for high potentials and high achievers, thus enabling them to be partners and have ownership in the business. Our automated ESOP management tool acts as a ready reckoner for employees to view their wealth creation.

Further, we continuously strive to map positions/levels with analysis of compensation-ratios and provide competitive yet sustainable compensation in line with business growth and industry benchmarks. Additionally, we have introduced a variable scorecard to provide a scientific approach to measure performance variable bonuses closely integrating and aligning organisation and individual performance. We also offer a comprehensive group health insurance coverage that also includes same-sex partners. We also offer increased coverage under Group personal accident insurance.

Talent Acquisition

As a growing organisation, we continue to work towards building a strong existing talent pipeline in the organisation while positioning ourselves to identify latent talent in the industry for meeting the futuristic talent demands of the business. Our in-house talent acquisition team regularly works with the business in identifying critical positions across the organisation, mapping industry talent and engaging in exploratory career opportunities for driving growth.

Our technology-enabled hiring processes have augmented our campus engagement and selection process increasing brand visibility among potential candidates while reducing the time and cost associated with the recruitment process. Our talent acquisition team consistently works towards having a healthy mix of sourcing channels with a concerted strategy towards utilising professional job boards to find the best fit. Our robust referral programme helps find diverse yet like-minded people ready to affiliate with us and grow with us. We also passionately propagate cross-functional movements. Our Internal Job programme is a standing testimony to this fact.

Diversity, Equity and Inclusion

As we continue to build DMI, we recognise the importance of building a workplace focussed on Diversity, Equity, and Inclusion (DE&I). To support this endeavour, we strive to engage with people – internally and externally, and work together for having a charter for our Company while collaborating with a concerted effort towards achieving DE&I. During the year, we engaged in several focus group conversations with our employees to understand their experiences and hear their perspectives to offer a conducive and respectful workplace for all.

Emanating from the Focus Group conversations, we created a charter for DE&I:

We have also partnered with Pride Circle, an organisation focussed towards providing employment opportunities for LGBTQ+ professionals. We continue our endeavour to provide professional opportunities irrespective of gender, ethnicity, sexual orientation, age, and accessibility/disability.

Further, recognising the need for a healthy and well-balanced workplace along with some work-life integration, we are working with our employees in co-creating Employee Resource Groups (ERGs). The initiative is expected to provide our employees with an opportunity to lead and participate in an ERG of their choice and find meaningful purpose in their day-to-day orientation towards sustainable and equitable growth.

Management Discussion & Analysis

ECONOMIC OVERVIEW

GLOBAL ECONOMIC OVERVIEW

In 2022, the global economy faced the pressures of inflation, continued geopolitical tension and a resurgence of Covid-19 in China. Despite these headwinds, real GDP was surprisingly strong in the third quarter of 2022 in several economies, including the United States, the Euro area, and the major emerging market and developing economies. The global growth at 3.4% in 2022, was led by stronger-than-expected private consumption and investment amid tight labour markets and greater-than-anticipated fiscal support. Towards the end of the year, the supply side witnessed early signs of easing bottlenecks and declining transportation costs. These led to deceleration in input price pressures across sectors.

Lower chances of a downturn in advanced economies and resumption of economic activity may prove beneficial for some developing economies that are export-dependent and be a cause of concern for those who are heavily import-dependent for essential commodities. Crude oil prices and the prices of industrial metals have begun to increase again. Wage negotiations are leading to upward revisions on either side of the Atlantic. Meaningful interest rate reductions in the US and the Eurozone may take time to materialise. The unexpected failures of two specialised regional banks in the United States in mid-March 2023 and the collapse of confidence in a globally significant bank added to pressures on the global financial markets. The increase in financial market volatility and the continuation of the multiple factors that impacted growth in 2022, are dampening future growth prospects.

Global growth is estimated at 2.9% in 2023 and 3.1% in 2024. Advanced economies grew 2.7% in 2022 and are expected to witness 1.2% growth in 2023 and 1.4% in 2024. Emerging market and developing economies which grew 3.9% in 2022 are expected to grow at 4% in 2023 and 4.2% in 2024. Around 84% of the countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024.

Source: World Economic Outlook April 2023, IMF

INDIAN ECONOMIC OVERVIEW

In FY23, India became the world's fifth largest economy, measured in current dollars to become a $3.5 Tn economy. In real terms, the economy is expected to grow at 7%, slightly lower than the 8.7% growth in the previous financial year. The rise

in consumer prices slowed considerably with the annual rate of inflation reducing below 6%. The exports of goods and services together, scaled "new heights" in FY23 increasing by 14% to $770 Bn as against $676 Bn in FY22. India's imports in FY23 grew 16.5% to $714 Bn as against $613 Bn in FY22. Exports grew 6% to $447 Bn, up from $442 Bn in FY22.

While reforms before 2014 addressed product and capital markets, reforms since then have emphasised enhancing the ease of living and doing business to improve economic efficiency. Amid global uncertainties, India recently came out with a dynamic and responsive foreign trade policy (FTP) without any end date, aiming to push rupee trade, increase outward shipments to $2 Tn by 2030, and promote e-commerce exports. The approach of FTP 2023 is to move from the incentive to a remission-based regime, encourage collaboration between exporters, states, districts and Indian Missions, reduce transaction cost, and develop more export hubs.

During the year, the Reserve Bank of India (RBI) raised interest rates swiftly to keep commodity-related inflation under control. This proved to be crucial in establishing a relative stability of the Indian rupee against the US dollar in a year of dollar strength. India's import cover and external debt ratios remain at comfortable levels due to India's long-standing conservative external borrowing policies and RBI's deft management of foreign exchange reserves. International benchmark indices of Indian stocks outperformed their emerging market and global peers over the long haul. The last two years witnessed a rise in the participation of Indian domestic retail investors which helped in cushioning the impact of foreign portfolio outflows.

According to the World Bank, India's retail inflation is expected to moderate from 6.6% in FY23 to 5.2% in FY24, with Current Account Deficit (CAD) expected to be at 5.2%. Rising borrowing costs and slower income growth will weigh on private consumption growth. The GDP growth is expected to moderate to 6.3% in FY24 due to shrinkage in consumption. Though domestic demand saw good growth underpinned by robust consumer spending by higher-income groups and higher public investment, consumer spending by low-income groups was weak due to slow income growth.

India's GDP growth is expected to be resilient despite some moderation in the second half of the last fiscal, according to World Bank's report 'Global Economic Prospects'. The growth rate is expected to moderate to 6.3% in FY24 due to shrinkage in consumption on the back of slower income. However, despite a challenging external environment, India is expected to be the fastest-growing economy among the seven largest emerging markets and developing economies due to its large domestic market and relatively less exposed to international trade flows.

Source: Economic Survey 2022-23, World Bank

During the year, the Reserve Bank of India (RBI) raised interest rates swiftly to keep commodity-related inflation under control. This proved to be crucial in establishing a relative stability of the Indian rupee against the US dollar in a year of dollar strength. India's import cover and external debt ratios remain at comfortable levels due to India's long-standing conservative external borrowing policies and RBI's deft management of foreign exchange reserves. International benchmark indices of Indian stocks outperformed their emerging market and global peers over the long haul.

INDUSTRY OVERVIEW

REAL ESTATE AND HOUSING SECTOR

The real estate sector comprises four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry, complemented by the real estate sector, ranks third among the 14 major sectors in terms of direct, indirect, and induced effects in all sectors of the Indian economy. The real estate sector is the second-highest employment generator, after the agriculture sector. The Indian real estate sector is expected to reach $1 Tn by 2030, up from $200 Bn in 2021 and contribute 13% to the GDP by 2025.

In FY23, the financial, real estate and professional services (As classified by the Ministry of Statistics & Programme Implementation) recorded 6.9% growth as compared to 4.7% growth in FY22 as per the second advance estimates of national income 2022-23. Real estate sector growth is primarily driven by favourable demographics, rapid urbanisation, more dual income families, growing disposable incomes, rising nuclear families, growing government support, etc. Demonetisation, Real Estate Regulatory (and Development) Act (RERA), and Goods and Services Tax (GST) have been transformational reforms aiding the formalisation of the real estate sector. In the Union Budget 2023-24, allocation of ₹79,000 crores was made for PM Awas Yojana, up 66% as compared to the previous year.

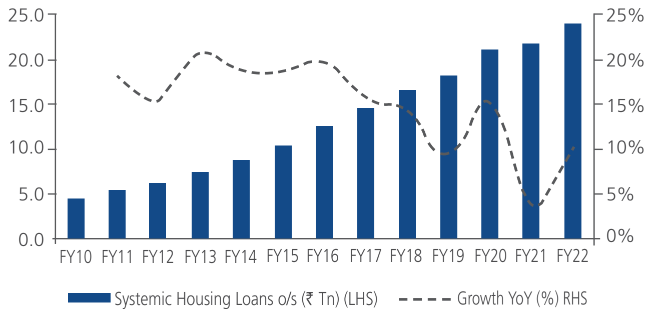
According to a report by Anarock Consultancy, in FY23, the residential real estate segment created a new record for the highest-ever sales, touching ₹3.47 lakh crores, at an annual growth of 48%. In volume terms, sales of 379,000 units were recorded across the top seven cities, a jump of 36%. The significant growth is a testament to the resilience of the sector, which has adapted to the changing market dynamics. The Mumbai Metropolitan Region (MMR) led the growth with the largest share in sales value and volume, accounting for 30% of the total units sold. There has been a significant rise in the sales of luxury housing, units priced above ₹15 Mn, across the top seven cities. The growth was primarily led by overall improved homeownership sentiment, improved earning potential, and the desire for homes that are future-proofed in terms of size, lifestyle quotient, and resale value growth. Apart from larger space, there is now increased demand for technologically equipped homes for convenience-driven lifestyle and pride of ownership. The demand for luxury housing was also bolstered by the Union Budget's revision of capital gains tax which limits the benefit to ₹100 Mn after the end of the preceding fiscal year.

FY23 witnessed a recovery in housing prices as reflected in an upturn in housing market activity in the form of a preference for investment in real estate and residential units. As a result, housing sales increased, and new launches have further expanded, reflecting stable housing demand for both investment and end-uses. There has been a decline in unsold inventory and strong sales momentum, resulting in lowering of inventory overhang, although it varies across house sizes. In 2023, it is expected that house prices are expected to face the pressure of aggressive monetary policies adopted by many central banks globally, rising mortgage rates and tighter lending standards. Housing prices have already started decelerating in major advanced and emerging economies. The current shortage of housing in Indian urban areas is estimated to be ~10 Mn units. An additional 25 Mn units of affordable housing are required by 2030 to meet the growth in the country's urban population.

HOUSING FINANCE SECTOR

In FY22, the organised housing loans outstanding for both banks and Housing Finance Companies (HFCs) were ₹24 Tn. Over FY17 to FY22, the annual systemic home loan originations have grown at 5.5% CAGR ranging between ₹2-2.4 Mn. The market is poised to double by FY28 on the back of secular trends around improving affordability, rising urbanisation, and penetration beyond Tier-I locations. In terms of geographical distribution, western and southern states have dominated the industry with 13.2% penetration as compared to 7.2% penetration in other regions. The higher penetration levels are attributable to higher per capita income levels. Maharashtra is the largest market comprising 23% of the total market pie.

Total industry size (₹24 Tn) is 10.3% of GDP



Source: Ambit Capital Research, RBI, NHB

Banks, which have traditionally occupied the highest share of the market at ~67%, are likely to continue their dominance driven by the combination of a sustained funding cost advantage, structural shift in sourcing models, a renewed focus on retail housing loans, and transient rate cycle tailwinds. Affordable-focussed HFCs which comprise ~4% of the total housing loan market, have exhibited high-growth and sustained progress. HFCs have gradually reverted to growth phase with strong housing demand, ceding of asset quality woes and relatively improving liquidity environment. They are witnessing improvement in operating performance, impetus on growth and gradually increasing non-home loan exposure. However, increasing regulatory headwinds, tighter liquidity, and relentless competitive intensity from banks, are likely to exert pressure on loan growth and margins. A new co-lending model is emerging to aid the growth of the housing loan market between the banks and Non-Banking Financial Companies (NBFCs) /HFCs. This model allows the banks to originate Priority Sector Lending (PSL)-compliant loans through HFCs/NBFCs, without the investments in distribution and underwriting capabilities and thus drive their PSL-compliant retail loan portfolio.

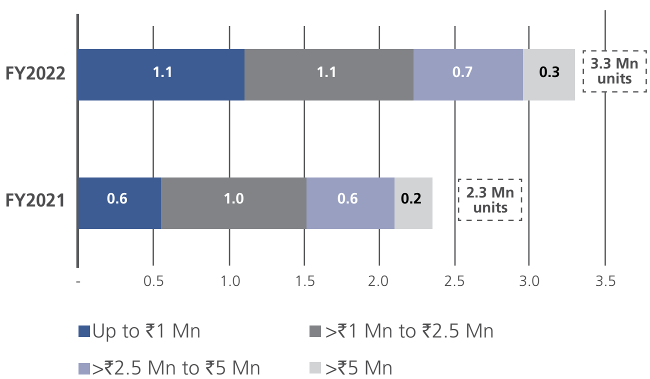
The slew of regulatory changes by RBI, post-taking over as the regulatory authority for HFCs from National Housing Bank (NHB), has led to rising regulatory costs such as Liquidity Coverage Ratio (LCR) norms, Non-Performing Assets (NPA) recognition norms, floor for exposure towards housing finance etc., leading to a gradual impact on profitability. Home loan pricing freedom continues to be the biggest regulatory arbitrage for HFCs compared to banks. Banks have to mandatorily offer external-benchmark-linked floating-rate or fixed-rate loans to retail/Micro-Small and Medium Enterprise (MSME) customers, with no such restriction on HFCs.

As per ICRA, the growth estimate for HFCs in FY23 is 10-12% led by continued improvement in disbursements. The on-book portfolio of the NBFC-HFC sector grew to ₹12.2 lakh crores as of March 31, 2022, registering higher-than-expected growth of 11%. This was driven by the growth in disbursements in the last three quarters of FY22. Tighter regulations on the recognition and upgradation of GNPAs led to an increase in GNPAs in the third quarter of FY22. However, with the increased recoveries, the industry saw a reduction in GNPAs in the fourth quarter witnessing robust recoveries from the restructured book. With the growth in the Assets Under Management (AUM), the standard restructured book declined to 1.7% of AUM as on March 31, 2022. Further improvement in the asset quality indicators is expected in FY23, with the expectation of improved collections from delinquent accounts. However, an estimate of GNPAs is 2.7-3% as of March 31, 2023.

AFFORDABLE HOUSING

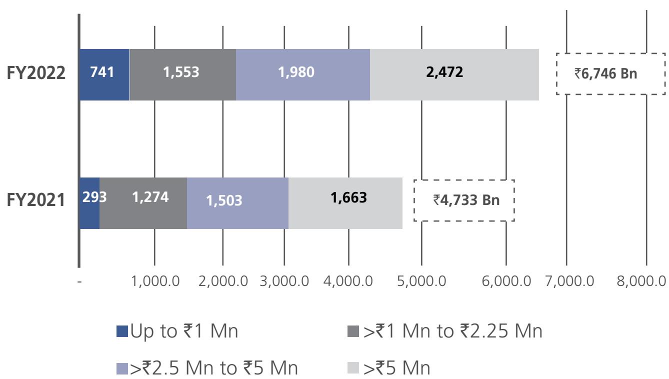
Home loans with ticket size of under ₹35/25 lakhs in metros/ non-metros are classified as affordable housing loans. The housing finance opportunity is vast, as India's population is growing, household incomes are increasing, and the size of the average household is declining. India is likely to add 120 Mn to its population from 2021 to 2031, according to UN population database estimates. Mortgage/GDP is low and skewed with only four states in India having a ratio better than the national average. Housing demand is highest in the under ₹2.5 Mn ticket size segments, accounting for about two-thirds of the disbursement volume, driven by population growth and housing shortages. The average ticket size of home loan disbursements in India was ₹2 Mn in FY22. About 68% of housing loan disbursement volumes are in the under ₹2.5 Mn ticket size and 34% are in the under ₹1 Mn ticket size. In terms of value, ~34% of industry housing loan disbursements are in the under ₹2.5 Mn ticket size and 11% are in the under ₹1 Mn ticket size. Urban India has long had a housing shortage, especially for low-income households.

Ticket size slab-wise disbursements, FY22 (in units)



Source: NHB, Morgan Stanley Research.

Ticket size slab-wise disbursements, FY22 (in Value, ₹ Bn)



Source: NHB, Morgan Stanley Research.

As per the technical study conducted by MHUPA (Ministry of Housing and Urban Poverty Alleviation), the urban housing shortage in India is currently estimated at ~19 Mn. This gap is expected to further widen to an estimated 38 Mn homes by 2030 largely due to the rising population and increased urbanisation. Post pandemic, the real estate industry saw significant growth particularly due to the government's focus on affordable housing resulting in a surge in demand for affordable housing, particularly in tier-II and tier-III cities.

GOVERNMENT SUPPORT

The Ministry of Housing and Urban Affairs implements several schemes to improve urban areas including Pradhan Mantri Awas Yojana – Urban, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), 100 Smart Cities Mission, etc. The Ministry also implements metro projects across states/UTs.

The Union Budget 2023-24 continued to provide significant boost to the housing sector with increased allocation to housing projects under PM Awas Yojana by 66% to ₹79,000 crores. Rationalisation of tax slabs and enhancement of tax rebate may prove to be beneficial for the affordable housing sector as disposable income in the hands of the Indian middle class may provide boost to domestic consumption and stimulate demand for homes.

Additionally, the government has proposed measures to increase the availability of credit, which will help fund infrastructure projects and make it easier for buyers to secure mortgages. It has also proposed capping the deduction from capital gains on residential property investment under sections 54 and 54F at ₹10 crores in addition to limiting the income tax exemption from the revenues of extremely valuable insurance policies.

An Urban Infrastructure Development Fund is to be created using the priority sector lending shortfall wherein public agencies can capitalise to build urban infrastructure in Tier 2 and Tier 3 cities, with the National Housing Bank overseeing the operations. The fund is anticipated to receive a contribution of ₹10,000 crores.

COMPANY OVERVIEW

With a mission to facilitate housing for all, DMI Housing Finance Private Limited (hereafter referred to as DMI Housing Finance or the Company) started its commercial operations in mid-2016 as a housing finance company registered with NHB. The Company has emerged as a prominent player in the Indian housing finance sector with 47 branches spread across 9 regions (Delhi, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttarakhand, and Uttar Pradesh), and a customer base of ~13,000. Within the housing finance space, the Company caters to customers especially in the lower income and economically backward segments.

The Company caters to home financing needs of both self-employed and salaried individuals by offering hassle-free, easy secured home loans for the construction/purchase of new units, purchase of old units, renovations, and home extensions.

The Company leverages technology to provide flexible and fast loan processing, with tailor-made housing credit solutions. It provides strong customer support and competitive rates of interests to its borrowers, thus strengthening its market share.

The Company's focus segment in terms of the ticket size of loans is in the loan ranges of ₹5-10 lakhs and ₹10-20 lakhs. Its key customer segment is salaried and self-employed professionals and non-professionals, with a salary range of ₹20-30 thousand per month and ₹30-50 thousand per month. The customers should have a minimum individual gross income of more than ₹10,000 per month.

The Company operates on a low-risk business model where the complete loan book is secured, and LTV is around 60% in FY23.

The Company's focus segment in terms of the ticket size of loans is in the loan ranges of ₹5-10 lakhs and ₹10-20 lakhs. Its key customer segment is salaried and self-employed professionals and non-professionals, with a salary range of ₹20-30 thousands per month and ₹30-50 thousands per month. The customers should have a minimum individual gross income of more than ₹10,000 per month.

RISK MANAGEMENT

Risk management is an integral part of business operations. The Company's strong risk management process is a key factor influencing strategic business decisions and aids in protecting the organisation and the various stakeholders.

The risk management framework enables to closely monitor both direct and indirect risks challenging business operations. All risks are well identified and defined through a formal procedure with input from various business representatives. The risk management framework is designed to identify risks, implement robust risk mitigation measures and periodically review its robustness.

As a Housing Finance Company, the organisation is exposed to several diverse types of risks. Some of the major risks faced by the Company along with the risk mitigations measures are covered below:

LIQUIDITY RISK

Liquidity risks emanate from the gaps in financing activity. A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds.

Mitigation measures: A well-structured and prudent policy of managing the funds flow, a diversified mix of lenders, long standing relationships with the various lenders and a good track record of capital management enables the Company to minimise liquidity risk. Since the sector furthers the national cause of financial inclusion, ample government support enables to further reduce liquidity risk.

CREDIT RISK

The most common risk faced by any lending institution is the borrower's inability to repay the loan. The delinquencies may result in monetary losses, higher NPAs and deterioration of asset quality and ultimately capital adequacy.

Mitigation measures: To minimise the risk of credit default, there is a robust lending framework. The Company also carries out a detailed evaluation of the borrower's profile and credit history. These processes enable the Company to maintain low NPA levels. Regular policy reviews enable the Company to update the processes as per evolving business needs and strengthen the lending policies.

OPERATIONAL RISK

Operational Risk is the risk of loss due to a lack of proper flow and inadequate controls over our internal processes, people, systems and operations. Operational lapses could lead to adverse impact on the sustainability of the business and loss of profitability.

Mitigation measures: The Company has comprehensive policies, operational processes, and systems governing business operations, which are subject to system audits periodically. The Company also provides an adequate degree of freedom to the employees with built-in checks to enable them to perform better and be responsible for the outcomes. To monitor emerging trends that could impact the business, the Company conducts regular reviews across functions and at the business level. Appropriate actions are undertaken to mitigate any possible risk to business operations and strategic growth.

TECHNOLOGY RISK

Risks could primarily arise from the unavailability of systems and/or loss or manipulation of information or information data security.

Mitigation measures: A team of skilled and highly experienced professionals closely monitor foreseeable future developments and ensure that the organisation is future-ready. The team in collaboration with various other teams is constantly striving to leverage technological advancements to upgrade and automate processes.

REGULATORY RISK

Since the Company operates in the financial services sector, it is governed by several rules and regulations by various governing bodies. Non-compliance or misinterpretation may lead to inadequate observance. Also, the Company needs to be prepared to follow modifications to existing laws, or the introduction of new laws.

Mitigation measures: To ensure strict compliance with all applicable laws and statutes, the Company has a team of highly experienced professionals. The team is also responsible for monitoring, analysing and suggesting measures to comply with any amendments or introduction of new laws.

MARKET RISK

Volatility in interest rates can have a negative impact on the Company's borrowing costs, a decline in interest income and net interest margins. This can cause a mismatch of asset-liability position and could lead to lower profitability and lower returns.

Mitigation measures: The Company strives to optimise the mix of the shorter and longer maturity loans to effectively manage the interest rate risk. To optimise the cost of funding, the Company has a diversified resource mobilisation strategy. The Asset Liability Management Committee supervises the asset and liability profiles to ensure the effectiveness of a strong asset-liability mechanism.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's robust internal control systems are commensurate with the size of the business and industry in which it operates. The systems ensure the safeguarding of assets and enhance productivity. The Company strives to enhance the internal controls with the aid of comprehensive processes, guidelines, procedures, and adequate internal information systems. Periodic and frequent audits ensure strict adherence to the set procedures and processes. Internal controls aid in compliance with laws and statutes, safeguarding sensitive data, proper and adequate audit process, robust accounting controls, monitoring of operations, and conservation of assets.

To ensure effective monitoring of business operations and proper functioning of the internal audit function, the Company has appointed an Audit Committee of the Board. The Committee periodically reviews the findings of internal audits and suggests appropriate actions, as deemed necessary.

This robust mechanism ensures organisational growth and sustainability. The internal controls facilitate prompt detection and redressal of any deviations in business operations.

INFORMATION TECHNOLOGY

Technology is the game changer for any enterprise. The Company realises the importance of technology in strategic business growth. Technology is imperative to achieve its aspirations to scale customer experience, enhance security and ensure ease of operations. Data security is of prime importance as the Company has access to a lot of personal information of its customers. Safeguarding data and IT assets is thus a top priority. The Company's robust IT infrastructure enables it to effectively monitor risks and implement effective mitigation measures. A comprehensive framework details the various steps to ensure the protection of data and information. To strengthen the monitoring mechanisms and upgrade its technology, systems are tested regularly.

CODE OF CONDUCT

The Company fosters a healthy corporate culture and constantly strives to improve employee morale. To effectively report allegations of non-compliance, the Company has partnered with an external partner. This has enabled to build an open and responsible atmosphere. Any violation of internal ethics or compliance is kept confidential, and the identity is kept anonymous to encourage employees to raise red flags or report without hesitation. These concerns are then appropriately addressed by the top management as a top priority.

Such good governance practices protecting employees, business interests and reputation ensure employee integrity and loyalty.

The Company fosters a healthy corporate culture and constantly strives to improve employee morale. To effectively report allegations of non-compliance, the Company has partnered with an external partner. This has enabled to build an open and responsible atmosphere. Any violation of internal ethics or compliance is kept confidential and the identity is kept anonymous to encourage employees to raise red flags or report without hesitation.

CAUTIONARY STATEMENT

This document contains some statements about expected future events, financial and operating results, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements.

Board's Report

Dear Members,
DMI Housing Finance Private Limited

The Board of Directors of the Company are pleased to present the 12th Director's Report on business and operations of DMI Housing Finance Private Limited ("DMI HFC/Company") along with the Audited Financial Statements for the financial year ended March 31, 2023. This Report read with the Management Discussion and Analysis including details of the macroeconomic scenario, Company's performance and various initiatives taken by the Company.

OVERVIEW:

The Company is registered with the National Housing Bank (NHB) as a Housing Finance Company and is engaged in the business of providing housing loans to individuals and loan against property to individuals. The Company provides easy home loans, especially to those in the lower income and economically backward segments and is also providing the benefit of subsidy under Pradhan Mantri Awas Yojana (PMAY) to the eligible home loan borrowers.

Further, the Company has an expanded network across various states and at present have 47 branches all over the country with 386 employees on payroll.

FINANCIAL RESULTS:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Income from Operations	1542.36	1,183.48
Other Income	-	-
Total Income	**1542.36**	**1,183.48**
Total Expenditure	1,068.93	926.61
Profit/(Loss) before Taxation	473.43	256.87
Tax Expenses/(Credits)	118.37	64.68
Profit/(Loss) after Taxation	**355.06**	**192.19**
Other Comprehensive Income	1.15	1.02
Total Comprehensive Income for the year	**356.21**	**193.21**
Capital Redemption Reserve	-	-
Reserve Fund u/s Sec 29C of NHB Act, 1987		
Balance at the beginning of the year	152.62	114.18
Add: Amount transferred from surplus of Profit and Loss	71.01	38.44
Balance at the end of the year (A)	**223.63**	**152.62**
Retained earning		
Balance at the beginning of the year	**531.10**	**376.34**
Add: Profit for the year after all deductions	285.20	154.77
Balance in Profit/(Loss) Account in balance sheet (B)	**816.30**	**531.11**
Share Based Payment Reserve (C)	**61.02**	**35.62**
Share and Warrant Premium (D)	**513.21**	**495.04**
Reserves and Surplus (A+B+C+D)	**1,614.18**	**1,214.39**

FINANCIAL PERFORMANCE OF THE COMPANY

The Company had shown a tremendous performance resulting in overall increase in the total income to ₹ 1542.36 Million in FY 2022-23 as compared to ₹ 1183.48 Million in the previous financial year. The Profit after Tax increased to ₹ 355.06 Million as on March 31, 2023, in comparison to ₹ 193.21 Million as on March 31, 2022.

Business Developments and Key Initiatives: During the Financial year under review, the Company entered into various Direct Assignment and Securitization transactions for portfolio purchase under inorganic business amounting to ₹ 34 Crores and ₹ 141 Crores respectively. The said transactions were in the ratio of 68:32 for Housing Loan & Loan against property. The company also entered into sell down transaction with Piramal Housing and Bajaj Housing amounting to ₹ 15 Crores and 25 Crores respectively, which increased the profit after tax by ₹ 4.3 Crores.

Further, the company is in the process of entering into co-lending transactions with ART Housing Finance, Religare Housing, DCB bank, Yes bank etc.

The Company recently partnered in Annual Meet of Andromeda (India's Largest Loan Distributor) in Dubai and launched out DSA Portal in front of 800 associates and the management proposes to increase the focus towards Corporate Channel to generate bulk business.

As a measure of employee engagement, employee recognition, and to boost the motivation levels of the employees, an Annual meet (Reward & Recognition) was organized by the Company.

PORTFOLIO GROWTH AND ASSET QUALITY

Loan Portfolio & Net Owned Funds

The portfolio of the company has grown to ₹ 11,408.84 Million as on March 31, 2023, from ₹ 8,619.56 Million as on March 31, 2022, in-spite of slow and slur economic environment. The portfolio distribution for the Financial year 2022-23 in comparison to previous financial year is presented as under:

S. No	Particulars	2022-23 Amount (Million)	2022-23 (Percentage)	2021-22 Amount (Million)	2021-22 (Percentage)
1.	Housing Loans	9659.48	84.67%	7,111.42	82.50%
2.	Non-Housing Loans	1749.36	15.33%	1,483.84	17.21%
3.	Corporate Loans	-	-	24.30	0.28%
	Total	**11408.84**	**100%**	**8,619.56**	**100%**

Further, the Company had a healthy composition of Salaried v/s. SENP customers and Home Loan v/s Non-Home loan stands at comfortable positions. The Average portfolio LTV was 59.32% approx.

The Company ensures that in future, with planned strategies and risk control measures to maintain a stable rate of performance and achieve positive and incremental growth in loan portfolio.

The Net owned funds of the Company stood at ₹ 6433.20 Million as on March 31, 2023, as compared to ₹ 6018.68 Million as on March 31, 2022.

Credit Evaluation and NPA Levels

The movement of NPA for last three Financial Years is mentioned below:

(in Millions)

Particulars	March 2021	March 2022	March 2023
GNPA	38.8	83.3	64.27
NNPA	25.3	53.4	44.59

Further, the company had also as per the established strong risk management procedures and systems of evaluation of credit worthiness of prospective clients which seeks to involve a process of determining the eligibility of the clients for funding on various parameters and predefined criteria which in turn determines the ability of the borrower to repay his obligations.

The amount of Gross NPA as on March 31, 2023, was ₹ 64.27 Million against which the Company had as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 had fulfilled the requirement for maintenance of the required provisions.

The Gross NPA level stood at 0.56 % and Net NPA stood at 0.39 % as on March 31, 2023.

ECL provisioning

In accordance with Ind AS 109, the Company measures expected credit losses on its financial instruments and had a process to assess credit risk of all exposures at each year end. Accordingly, the Company had created adequate ECL provisioning as required. Details of the same are part of the notes to accounts of the audited financials for March 31, 2023.

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

The Company had also duly complied with the prudential norms on provisioning requirement as prescribed by Reserve Bank of India (from time to time) for Standard Loan Asset (category-wise) & for Doubtful-assets (if any).

CAPITAL ADIQUACY RATIO (CRAR)

The company was maintaining a healthy CRAR of 85.59% % which was higher than the prescribed minimum CRAR as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time. Below mentioned are the details of CRAR of Tier I and Tier II Capital.

Particulars		March 31, 2023	March 31, 2022
(i)	CRAR (%)	85.59%	87.03%
(ii)	CRAR – Tier I Capital (%)	85.53%	86.46%
(iii)	CRAR – Tier II Capital (%)	0.06%	0.57%

DETAILS OF RESERVE FUND UNDER NHB ACT, 1987

The break-up of the amounts/profits proposed to be carried to reserves for FY 2022-23, is set out herein below:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Capital Redemption Reserve	-	-
Reserve Fund u/s Sec 29C of NHB Act, 1987	223.63	152.62

DIVIDEND

During the year under review, the Board had not declared any interim dividend. Further, the Board do not recommend any final dividend for the Financial Year ended March 31, 2023.

STATE OF COMPANY AFFAIRS

Share Capital

During FY 2022-23, the issued, subscribed and paid-up share capital of the Company underwent following changes:

Changes in Paid-Up Share Capital

Issuance of Equity Shares:

No change took place in the Equity share capital of the Company during the FY 2022-23.

Issue of Convertible Share Warrants

The Company during the financial year under review, issued and allotted 14,20,092 convertible share warrants on July 22, 2022 to employees of group company in accordance with the terms of Warrant Subscription Agreement executed between the Company and the Warrant Holders.

BORROWINGS PROFILE

(i) Borrowings in the form of cash credit/ term loans from banks/refinance from National Housing Bank

The total outstanding borrowings of the Company as on March 31, 2023, in the form of Term Loans, Cash Credit from Banks, Non-Convertible Debentures and borrowings from National Housing Bank are as follows:

(a) Borrowings in the Form of Term Loans and Cash Credits:

S. No	Particulars	Outstanding Amount (Million)
1.	Cash Credit from Banks	0.00
2.	Term Loans from Banks	4291.50

(b) National Housing Bank Refinance:

S. No	Details of the Sanction	Outstanding as on March 31, 2023 (Million)
1.	Regular Refinance Scheme	393.96
2.	LIFt Scheme of NHB	287.79
3.	Refinance Scheme	46.3
	Totals	728.05

(c) Non-Convertible Debentures:

During the Financial year 2022-23, the Company had not issued any Non-Convertible Debentures (NCDs). Therefore, the debt securities of the Company as on March 31, 2023, stands at ₹ 3466 Million. During the Financial year under review, there had been NIL Non-convertible debentures which had become due for redemption. Thus, NCDs under para 68.1 and 68.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 stands NIL.

To summarize, the borrowing mix of the Company consisting of term loans, working capital, cash credit limits and non-convertible debentures stands as follows as on March 31, 2023:

S. No	Type of Security	Amount outstanding (₹ in Million)	% of total borrowings outstanding as on March 31, 2023
1	Term Loans	4291.49	50.57%
2	Refinance from NHB	728.05	8.58%
3	Non-Convertible Debentures	3,466	40.85%
	Total	**8485.53**	**100%**

(d) Credit Ratings

Further, the ratings assigned by the credit rating agencies during the Financial year 2022-23 are as under:

Type of Borrowing	Rating Agency	Amount (₹ in Million)	Rating
Long Term Bank Facility	CARE Ratings	1,000.00	CARE AA-; Stable
Non-Convertible Debentures	Brickworks Ratings	4,000.00	BWR AA- (CE) / Stable
Fund-based Bank Loan Facilities	Brickworks Ratings	00.00	BWR AA- (CE) / Stable (withdrawn)
Fund based bank facilities	ICRA Ratings	6,500.00	[ICRA]AA- (Stable) {Rating Assigned of ₹ 3000 Million during the Year}
Non-Convertible Debentures	ICRA Ratings	4,000.00	[ICRA]AA- (Stable)

EMPLOYEE STOCK OPTION PLAN, 2018 AND ESOP SCHEMES

Human Resources are key to the growth and success of an organization, more so in financial services industry. It was therefore imperative to align the interests of the employees and shareholders of the Company. Employee Stock Option schemes had been universally accepted as retention and wealth creation tool that meets this objective. To attract, retain, motivate and incentivize the employees at all levels, your Board and Shareholders had approved DMI Employee Stock Option Plan – 2018 to issue stock options not exceeding 5% of the Fully Diluted Equity Capital of the Company as on the Option Grant Date.

Further, the Company in the meeting of Nomination and remuneration Committee, had proposed and approved the following schemes falling under DMI HFC ESOP Plan 2018 and revised DMI HFC ESOP Plan 2018 for 2022-23 and thus, granted the options under the approved schemes.

Schemes	Effective Date
DMI Housing Finance ESOP Plan 2022	01-Apr-22
DMI Housing Finance Employment Contract – Jul22 – I	26-Jul-22
DMI Housing Finance Employment Contract – Jul22 – II	08-Jul-22
Employment Contract – Mar'23	01-Mar-23

Also, as per the existing DMI HFC ESOP Plan 2018 (**"ESOP Policy"**) approved by the Board and Shareholders, the employees of the Company are entitled to acquire Ordinary equity shares of the Company at the time of exercise of stock options.

During the financial year under review, **NIL** stock options were exercised by employees of the Company under various applicable ESOP schemes of the Company

The disclosures required as per Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 are given below:

(a) Options granted during the FY 2022-23: **9,29,361**

(b) Options vested: **60,63,929**

(c) Options exercised: **NIL**

(d) Total number of shares arising s a result of exercise of option: **NIL**

(e) Options lapsed: **7,76,823**

(f) Exercise price: **As per various ESOP Schemes of the Company**

(g) Variation of terms of options: **NA**

(h) Money realized by exercise of options: **NIL**

(i) Total number of options in force: **76,58,291**

(j) Employee wise details of options granted to:

- Key managerial personnel: NIL
- Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year: NIL
- Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grants: NIL

DIRECTORS' AND KEY MANAGERIAL PERSONNEL

Board Composition

The composition of the Board was in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, and as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India on February 17, 2021, and other applicable laws (as amended from time to time).

During the year under review, undermentioned changes took place on the Board of the Company:

S. No.	Name of Directors	Capacity	Nature of change	Effective Date
1	Mr. Gurcharan Das	Director	Appointment	May 30, 2022
2	Mr. Tammir Amr	Nominee Director	Resignation	November 28, 2022
3	Mr. Alfred Victor Mendoza	Additional Director	Appointment	December 07, 2022

Further, after March 31, 2023 the company appointed Mr. Rajul Bhargava as the Executive Director with effect from April 06, 2023.

Director(s) Disclosure:

As per provision of section 164(2) of the Companies Act, 2013 and based on the declarations and confirmations received, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, none of the Directors of the Company were disqualified from being appointed as Directors of the Company.

Pursuant to provisions of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016, the Company had obtained Fit & Proper declarations and Deed of Covenants and various other Declarations duly signed by all the Directors of the Company.

Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director, key managerial personnel and other employees.

The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Memorandum of Association and Articles of Association of the company and all other statutory provisions and guidelines as may be applicable from time to time. The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Managements of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

The aforesaid policy is available on the website of the Company at https://www.dmihousingfinance.in/pdf/Nomination-and-Remuneration-Policy.pdf.

Key Managerial Personnel

During the year under review the below mentioned changes took place:

S. No.	Name	Designation	Appointment/Resignation	Effective Date
1.	Ms. Shilpi Varshney	Company Secretary	Resignation	September 09, 2022
2.	Ms. Preeti Singh	Company Secretary	Appointment	December 07, 2022
3.	Mr. Rajul Bhargava	Chief Executive Officer	Appointment	March 27, 2023

Human Resource

The goal was to employ highly talented people who are fully engaged in our business and who deliver high levels of performance at work. The Human Resource continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organization. It continues to focus on progressive employee relations, creating an inclusive work culture and a strong talent pipeline. The Company firmly believes that employee motivation, development and engagement are key aspects of good human resource management.

During the financial year company had hired experienced and efficient employees from the industry, so that they can help in achieving the company's goal. The details of increase of number of employees are given below:

Financial Year	Number of employees
2022-23	386
2021-22	292

Also, the Company continues to take efforts to offer professional growth opportunities and recognitions while continuing to impart and organize various training programs at Head office and branch level to educate and train the employees on the products, KYC AML norms and policies, of the company.

SUBSIDIARIES/ASSOCIATES COMPANIES

The company do not have any subsidiary or associate company as on March 31, 2023.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, had issued Secretarial Standards on Board and General meetings. The Company had complied with all the applicable provisions of the secretarial standards.

ANNUAL RETURN

The copy of Annual Return for Financial Year 2022-23, which will be filed with the Registrar of Company, will be hosted on the website of the Company and can be accessed at https://www.dmihousingfinance.in/policy.php in accordance with provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013 and rules framed therein.

CORPORATE GOVERNANCE AND REGULATORY CHANGES:

Deposits

The Company is a Non-deposit accepting housing finance company registered with national Housing Bank.

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India on February 17, 2021 ("RBI Master Directions") , and various circulars issued by National Housing Bank and Reserve Bank of India from time to time, the Board of Directors of the company had passed a resolution on April 12, 2023 confirming that the company would neither hold nor accept any 'Public deposits' as defined under RBI Regulations during the period commencing from April 01, 2022 to March 31, 2023.

Statutory and Regulatory Compliance

The Company had complied with the applicable statutory provisions, including those of the Companies Act, 2013, and the Income-tax Act, 1961. Further, the Company had complied with the NHB's Housing Finance Companies Directions, 2010 (and such other guidelines, notifications, circulars issued from time to time) till in force and thereafter, complied with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021.

Further, the Company had effectively complied with all the RBI notifications, guidelines, circulars and directions as may be applicable to HFCs, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines and such other applicable labour laws.

Statutory Disclosure by Directors

None of the Directors of your Company was disqualified as per provision of section 164(2) of the Companies Act, 2013. The Directors of the Company have made necessary disclosures, as required under various provisions of the Companies Act, 2013.

Others

As per the Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated December 21, 2021, RBI has introduced new return formats to be submitted to NHB and had revised the timelines of submission of selective returns. The Company ensured the timely compliance of the requirements mentioned in the said master circular.

FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS

The Company continued to ensure that Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB/RBI from time to time were invariably adhered to and duly complied by the Company. The Company had put in place board approved robust KYC & AML policy for compliance by the branches.

DETAILS OF FRAUD REPORTING

There were no fraud cases detected which was required to be reported during the year under review, as per the provisions of section 134(3)(ca), read with section 143(12) of the Companies Act, 2013 to the regulatory authorities.

Further, pursuant to the provisions of Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, two new fraud cases of Mr. Shamsher Ali and Mr. Sunil Kumar were reported in FMR-1 dated March 29, 2023 amounting to ₹ 16.17 Lakhs and 20.96 Lakhs respectively, to Regional Office of the Department of Non-Banking Supervision of Reserve Bank of India and National Housing Bank.

Pursuant to the same, the Company had reported the details of the new fraud cases and fraud cases outstanding to the Audit Committee/Board on quarterly and annual basis.

DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER IBC, 2016

During the Financial year under review and in accordance with Rule 8 of Companies (Account of Companies) Rules, 2014, no applications had been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the financial year, the Board and Shareholders of the Company approved an application under section 66(1)(a) of the Companies Act, 2013, which was submitted with National Company Law Tribunal ("NCLT") for reduction of the Issued, Subscribed and Paid-up share capital of the Company as per the below mentioned schedule. The application is currently under review with NCLT and reduction of share capital of the Company will be effective from the date of receipt of approval from the NCLT.

Capital Structure of the company before NCLT approval			
Particulars	**No. of shares issued**	**Issued and Subscribed capital**	**Paid Up Capital**
Fully paid-up equity shares	48,46,27,264	₹ 4,84,62,72,640	₹ 4,84,62,72,640
Partly paid-up equity shares	4,94,90,900	₹ 49,49,09,000	₹ 1,37,05,719
Total equity share capital	53,41,18,164	₹ 5,34,11,81,640	₹ 4,85,99,78,359

Capital Structure of the company after NCLT approval			
Particulars	**No. of shares issued**	**Issued and Subscribed capital**	**Paid Up Capital**
Fully paid-up equity shares	48,59,97,835	₹ 4,85,99,78,350.00	₹ 4,85,99,78,350.00*

* Differential amount of ₹ 9/- in the Paid-up Capital of the company will be refunded to K2VZ.

In the above matter the final order of National Company Law Tribunal ("NCLT") is still awaited.

BOARD MEETINGS

The Board met 4 (Four) times during the financial year 2022-23 on below mentioned dates. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

S. No.	Date of Board Meeting
1.	May 19, 2022
2.	September 09, 2022
3.	December 07, 2022
4.	March 27, 2023

Further, in accordance with Standard 9 of the Secretarial Standards-1 on "Meetings of the Board of Directors", the details on the number of meetings attended by each Director during financial year 2022-2023 is given below:

S. No.	Name of Directors	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other director-ships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other com-pensation	Sitting Fee	Com-mission	
1	Mr. Tammir Amr*	18/12/2017	Nominee Director	07030832	4	2	1	-	-	-	-
2	Mr. Gaurav Burman	18/12/2017	Nominee Director	01870814	4	3	11	-	-	-	-
3	Mr. Shivashish Chatterjee	23/03/2011	Non-Executive Director	02623460	4	3	7	-	-	-	93,23,090
4	Mr. Gurcharan Das	30/05/2022	Non-Executive Director	00100011	4	3	3	-	₹80,000/-	-	-
5	Mr. Nipendar Kochhar	09/12/2020	Non-Executive Director	02201954	4	4	3	-	₹1,60,000	-	-
6	Mr. Alfred Victor Mendoza	07/12/2022	Non-Executive Director	08432874	4	1	3	-	-	-	-
7	Mr. Yuvraja Chanakya Singh	23/03/2011	Non-Executive Director	02601179	4	4	6	-	-	-	93,23,090

* Mr. Tammir Amr resigned from the position of Nominee Director with effect from November 28, 2022.

BOARD COMMITTEES

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. There are 12 Committees constituted by the Board namely Audit Committee, Loan Investment and Borrowing Committee, Risk Management Committee, Nomination and Remuneration Committee, Asset Liability Committee, Securities Allotment Committee, IT strategy Committee, Corporate Social Responsibility Committee, IT Steering Committee, Business Partner Committee, Identification Committee and Review Committee.

During the Financial year under review undermentioned new committees were constituted pursuant to the requirement of relevant regulations and policies:

S. No.	Name of Committee
1.	Business Partner Committee
2.	Identification Committee
3.	Review Committee

Further, the composition of all the Committees as on March 31, 2023, is provided below. Further, in accordance with Standard 9 of the Secretarial Standard-1 on "Meetings of the Board of Directors", the details on the number and dates of meetings of the Committees held during the financial year 2022-23 indicating number of meetings attended by each Committee Member is given below:

- **Audit Committee (AC)**

  The Audit committee is responsible for recommending the appointment, remuneration and terms of appointment of auditors of the company, reviewing and monitoring the auditor's independence and performance, approving the transactions of the company with related parties and such other matters as disclosed in the corporate governance policy of the company.

Four Audit Committee Meetings were held during the financial year 2022-23 viz. on May 19, 2022, September 08, 2022, December 06, 2022, and March 27, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	December 18, 2017	Director/ Member	4	1	-
2	Mr. Gaurav Burman	December 18, 2017	Director/ Member	4	3	-
3	Mr. Shivashish Chatterjee	December 18, 2017	Director/ Member	4	2	93,23,090
4	Mr. Nipendar Kochhar	December 09, 2020	Director/ Member	4	4	-
5	Mr. Alfred Victor Mendoza	December 07, 2022	Director/ Member	4	1	-
6	Mr. Yuvraja Chanakya Singh	December 18, 2017	Director/ Member	4	4	93,23,090

➢ **Risk Management Committee (RMC)**

The Risk management committee adheres to the Risk Management Practices as prescribed, monitors the progress of the Risk Control Matrix as approved by the Board, monitors the loan portfolio on a regular basis and along with risks associated with it and establishes standards to mitigate risks related operations, credit, compliance, finance, etc.

Four Risk Management Committee Meetings were held during the financial year 2022-23 viz. on May 19, 2022, September 08, 2022, December 06, 2022, and March 24, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	December 18, 2017	Director/ Member	4	1	-
2	Mr. Gaurav Burman	December 18, 2017	Director/ Member	4	4	-
3	Mr. Rajul Bhargava	December 18, 2017	Member	4	4	2,80,549
4	Mr. Shivashish Chatterjee	December 18, 2017	Director/ Member	4	-	93,23,090
5	Mr. Alfred Victor Mendoza	December 07, 2022	Director/ Member	4	-	-
6	Mr. Yuvraja Chanakya Singh	December 18, 2017	Director/ Member	4	4	93,23,090
7	Mr. Prashant Jha	December 07, 2022	Member	4	4	-
8	Ms. Poonam Chauhan	December 07, 2022	Member	4	4	-
9	Mr. Ankit Jain	December 07, 2022	Member	4	4	-
10	Mr. Sameer Mahajan	December 07, 2022	Member	4	4	-
11	Preeti Singh	December 07, 2022	Member	4	0	-

➢ **Nomination and Remuneration Committee**

The Nomination and remuneration committee ensures the 'fit and proper' status of proposed or existing Directors, nominates the candidates for appointment on the Board. The committee is also authorised for administration and superintendence of all Employee Stock Option Schemes and such other matters as required under Companies Act, 2013.

Three Nomination and Remuneration Committee Meetings were held during the financial year 2022-23 viz. May 09, 2022, December 06, 2022 and March 24, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	December 18, 2017	Director/ Member	3	1	-
2	Mr. Gaurav Burman	December 18, 2017	Director/ Member	3	3	-
3	Mr. Shivashish Chatterjee	May 31, 2017	Director/ Member	3	3	93,23,090
4	Mr. Alfred Victor Mendoza	December 07, 2022	Director/ Member	3	1	-
5	Mr. Yuvraja Chanakya Singh	May 31, 2017	Director/ Member	3	3	93,23,090

- **Asset Liability Committee (ALCO)**

The Asset Liability Committee attends to aspects relating to Asset Liability Management such as availability of adequate funding for projected disbursements, monitors the asset liability gap and strategize action to mitigate the risk associated, understands fund-raising requirements and advising the best instruments to be used for the same, ensures that the finance costs are managed in an efficient and effective manner and advises on utilization of excess funds available with the company

Two ALCO Committee meetings were held during the financial year 2022-23 viz. on September 08, 2022 and March 24, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	December 18, 2017	Director/ Member	2	1	-
2	Mr. Gaurav Burman	December 18, 2017	Director/ Member	2	2	-
3	Mr. Rajul Bhargava	March 09, 2022	Member	2	2	2,80,549
4	Mr. Shivashish Chatterjee	January 14, 2014	Director/ Member	2	2	93,23,090
5	Mr. Sahib Pahwa	March 09, 2022	Member	2	1	-
6	Mr. Yuvraja Chanakya Singh	January 14, 2014	Director/ Member	2	2	93,23,090
7	Mr. Krishan Gopal	March 09, 2022	Member	2	2	-
8	Mr. Prateek Kapoor	March 09, 2022	Member	2	2	-
9	Mr. Alfred Victor Mendoza	December 07, 2022	Director/ Member	2	1	-
10	Mr. Saurabh Nigam	March 09, 2022	Member	2	2	-
11	Ms. Preeti Singh	February 23, 2023	Member	2	-	-

- **Security Allotment Committee**

The Securities Allotment Committee is authorized to consider and transact the matter of raising of funds up to the limit specified by the Board and to exercise powers on behalf of the Board to look after the matters pertaining to issue, offer, allotment, cancellation and transfer of securities.

One Securities Allotment Committee Meetings was held during the financial year 2022-23 on May 19, 2022. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	December 18, 2017	Director/ Member	1	1	-
2	Mr. Gaurav Burman	December 18, 2017	Director/ Member	1	1	-
3	Mr. Jatinder Bhasin	December 18, 2017	Member	1	1	
4	Mr. Shivashish Chatterjee	December 18, 2017	Director/ Member	1	1	93,23,090
5	Mr. Sahib Pahwa	December 18, 2017	Member	1	1	-
6	Mr. Yuvraja Chanakya Singh	December 18, 2017	Director/ Member	1	1	93,23,090

- **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee formulates and recommends to the Board the CSR policy for the company and annual action plans in pursuance of its CSR policy. The committee also recommends the manner of execution of CSR projects or programmes and monitors and report regarding the same.

Two Corporate Social Responsibility (CSR) Committee meetings were held during the financial year 2022-23 on May 09, 2022, and March 24, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	September 11, 2019	Director/ Member	2	-	-
2	Mr. Gaurav Burman	September 11, 2019	Director/ Member	2	2	-
3	Mr. Shivashish Chatterjee	September 11, 2019	Director/ Member	2	2	93,23,090
4	Mr. Alfred Victor Mendoza	December 07, 2022	Director/ Member	2	1	-
5	Mr. Yuvraja Chanakya Singh	September 11, 2019	Director/ Member	2	2	93,23,090

➢ **IT Strategy Committee**

The IT Strategy committee is authorised to approve IT strategy and policy documents, ensure IT investments represent a balance of risks and benefits and that budgets are acceptable monitoring the method the IT resources needed to achieve strategic goals and provide high level direction and such other matters as disclosed in the Corporate governance policy.

Two IT Strategy Committee meetings were held during the financial year 2022-23 viz. on May 19, 2022 and September 08, 2022. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Tammir Amr	May 24, 2019	Director/ Member	2	2	-
2	Mr. Jatinder Bhasin	May 24, 2019	Member	2	2	-
3	Mr. Rajul Bhargava	May 24, 2019	Member	2	2	2,80,549
4	Mr. Saurabh Nigam	May 24, 2019	Member	2	2	-
5	Mr. Devendra Sharma	May 24, 2019	Member	2	2	-
6	Mr. Manish Srivastava	May 24, 2019	Member	2	2	-
7	Mr. Manikant R. Singh	May 24, 2019	Member	2	2	-
8	Mr. Shivashish Chatterjee	May 24, 2019	Director/ Member	2	0	93,23,090
9	Mr. Yuvraja Chanakya Singh	May 24, 2019	Director/ Member	2	2	93,23,090

➢ **IT Steering Committee**

The IT Steering Committee shall provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable.

Two IT Steering Committee meetings were held during the financial year 2022-23 viz. on September 08, 2022 and March 24, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Rajul Bhargava	October 09, 2021	Member	2	1	2,80,549
2	Mr. Amber Gautam	October 09, 2021	Member	2	2	-
3	Mr. Shivashish Chatterjee	October 09, 2021	Director/ Member	2	-	93,23,090
4	Mr. Devendra Sharma	October 09, 2021	Member	2	2	-
5	Mr. Yuvraja Chanakya Singh	October 09, 2021	Director/ Member	2	2	93,23,090
6	Ms. Preeti Singh	December 07, 2022	Member	2	-	-

- **Loan Investment and Borrowing Committee**

The Loan Investment and Borrowing Committee approves all borrowings and investments on such terms and conditions as the management may deem fit within the limits as approved by the Board and Shareholders.

Eight Loan Investment and Borrowing Committee meetings were held during the financial year 2022-23 viz. on September 29, 2022, December 28, 2022, December 30, 2022, January 23, 2023, February 02, 2023, February 27, 2023, March 03, 2023 and March 15, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Rajul Bhargava	October 09, 2021	Member	2	1	2,80,549
2	Mr. Amber Gautam	October 09, 2021	Member	2	2	-
3	Mr. Shivashish Chatterjee	October 09, 2021	Director/ Member	2	-	93,23,090
4	Mr. Devendra Sharma	October 09, 2021	Member	2	2	-
5	Mr. Yuvraja Chanakya Singh	October 09, 2021	Director/ Member	2	2	93,23,090
6	Ms. Preeti Singh	December 07, 2022	Member	2	-	-

- **Business Partner Committee**

The Business Partner committee is authorized for reviewing, approving and executing the securitization and transfer of loan exposure transactions and such other purposes as may be mutually agreed upon.

Six Business Partner Committee meetings were held during the financial year 2022-23 viz. on October 21, 2022, February 27, 2023, March 21, 2023, March 23, 2023, March 29, 2023 and March 30, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Gaurav Burman	December 18, 2017	Director/ Member	8	8	-
2	Mr. Jatinder Bhasin	December 18, 2017	Member	8	8	-
3	Mr. Shivashish Chatterjee	December 18, 2017	Director/ Member	8	1	93,23,090
4	Mr. Sahib Pahwa	December 18, 2017	Member	8	8	-
5	Mr. Alfred Victor Mendoza	December 07, 2022	Director/ Member	8	5	-
6	Mr. Yuvraja Chanakya Singh	December 18, 2017	Director/ Member	8	8	93,23,090

- **Identification Committee**

The Identification committee is authorised to make changes to the constitution of the Committee as and when required and take any other steps in connection with proper functioning of the Committee.

One Identification Committee Meetings was held during the financial year 2022-23 on February 27, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Rajul Bhargava	February 20, 2023	Member	1	1	2,80,549
2	Mr. Sameer Mahajan	February 20, 2023	Member	1	1	-
3	Mr. Rohan Syal	February 20, 2023	Member	1	1	-
4	Mr. Prashant Jha	February 20, 2023	Member	1	1	-
5	Mr. Sumit Rastogi	February 20, 2023	Member	1	1	-

- **Review Committee**

The Review committee reviews the cases identified by the Identification Committee on wilful defaulters for further action.

One Review Committee Meetings was held during the financial year 2022-23 on March 09, 2023. The attendance of the members is as follows:

S. No.	Name of Directors	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the company
				Held	Attended	
1	Mr. Rajul Bhargava	February 20, 2023	Member	1	1	2,80,549
2	Mr. Shivashish Chatterjee	February 20, 2023	Director/ Member	1	1	93,23,090
3	Mr. Nipendar Kochhar	February 20, 2023	Member	1	1	-
4	Mr. Yuvraja Chanakya Singh	February 20, 2023	Director/ Member	1	1	93,23,090

General Meetings:

S. No.	Type of Meeting	Date/Place	Special Resolutions passed
1	Annual General Meeting	September 09, 2022, Express Building, 03rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi-110002	No Special resolution was passed in the meeting.
2	Extra-ordinary General Meeting	May 30, 2022, Express Building, 03rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi-110002	- Approval for reduction of Share Capital under Section 66(1)(A) of the Companies Act, 2013 - Issuance of Convertible Share Warrants on Preferential Allotment to the Identified Employees of the group company - Borrowing limit for the Financial Year 2022-23
3	Extra-ordinary General Meeting	January 18, 2023, Express Building, 03rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi-110002	- Approval for amendment of Employee Stock Option Policy of the Company
4	Extra-ordinary General Meeting	March 28, 2023, Express Building, 03rd Floor, 9-10 Bahadur Shah Zafar Marg, New Delhi-110002	- Increase in Borrowing Limit up to ₹ 2500 Crores for the Financial Year 2023-24 - Approval for amendment of Employee Stock Option Plan (DMI HFC ESOP Plan 2018) of the Company

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company had established a Corporate Social Responsibility (CSR) Committee. The CSR Committee had formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which had been approved by the Board and the same had been put up on the Company's website and available at the link: https://www.dmihousingfinance.in/pdf/Corporate-Social-Responsibility-Policy.pdf.

The CSR Policy was adopted on September 2019 by the Company with the aim to contribute to the social and economic development of the community in which the Company operates. It also talks out the prescribed activities out of which the Company may opt to undertake and provides for modalities of execution of the projects undertaken, affixation of CSR budget and provides for mechanism for monitoring and reporting of the CSR activities undertaken.

During the year under review, the CSR Policy of the Company was reviewed in light of various amendments in the applicable rules and regulations and was placed on the website of the Company.

For the year ended March 31, 2023, the Company was required to spend ₹ 61,26,908/- under CSR for financial year 2022-23 as prescribed under Section 135 of the Companies Act, 2013. The Company had duly spent the required CSR expenditure of an amount of ₹ 61,26,908/- towards various CSR projects and causes.

The statutory disclosures with respect to the CSR Committee, in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, in the form of the annual report on CSR Activities is laid down in Annexure-A which forms part of this Report.

PARTICULARS OF INVESTMENTS LOANS AND GUARANTEES

The Company being a Housing Finance Company registered with the National Housing Bank (NHB) primarily engaged in the business of providing Housing Loans exempted from provisions of Section 186 of the Companies Act, 2013("Act"). Accordingly, there are no details of particulars of loans, guarantees or investments that was required to be provided as per Section 134(3) (g) of the Act.

RELATED PARTY TRANSACTIONS

In accordance with the provisions of Section 188 of the Act and rules made thereunder, all related party transactions entered during FY 22-23 were on an arm's length basis and in ordinary course of the business.

The details as required to be provided under Section 134(3)(h) of the Companies Act, 2013 are provided in Form AOC-2 is attached as Annexure-B to this report.

Further, in terms of the applicable provisions of the Companies Act, 2013 and the Master Direction – Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021 ("RBI Directions"), (as amended from time to time), the Company had put in place a Board approved Related Party Transaction Policy ("RPT Policy") for the purpose of obtaining requisite approval and reporting transactions with related parties.

The policy can be accessed on the Company's website at the link: https://www.dmihousingfinance.in/pdf/DMI-HFC-Related-Party-Transaction-Policy-2810.pdf

A list of all the Related Party Transactions were placed before the Audit Committee for approval. Further, the details of related party transaction in compliance with provisions of Companies Act, 2013, and said RBI Directions were disclosed in the notes forming part of the financial statements.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company was committed to create a safe and healthy work environment that enables its employees to work without fear of prejudice, gender bias and sexual harassment. The Company had in place an Anti-Sexual Harassment Policy (Policy) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). The Company believes that sexual harassment at the workplace, if involving employees of the company, shall be considered a grave offence and was therefore punishable under the provisions of the Act. For this purpose, an Internal Complaints Committee (ICC) had been set-up to redress complaints received regarding sexual harassment.

Scope of the Policy:

The provisions of this policy are applicable to:

- All employees of the company, regardless of the nature of their contract, duration of employment or position in the organization
- Associates of the Company whether full-time, part-time, temporary, voluntary, contracted, or casual including researchers, trainees, and consultants.
- Volunteers and interns, during their association with the organization.
- Partners, clients, service providers and users of the services of the Company.
- Acknowledgment of Policy is taken from all the employees.

All complaints of sexual harassment against employees are taken seriously and dealt with promptly. All investigations are conducted thoroughly and professionally, and accurate records of the investigation and the findings are properly maintained. Further, any employee who brings forward the charges of any instance of sexual harassment does not face any retaliation. The Company makes sure that anyone violating this policy is subjected to disciplinary action.

Further, no complaint was received under POSH during the year ended March 31, 2023.

RISK MANAGEMENT

In accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021 (as amended from time to time) and the Companies Act, 2013, the Company has Board approved Risk Management Policy. The Board constituted Risk Management Committee and Audit Committee responsible for monitoring the progress of the Risk Control Matrix and loan portfolio and to establish standards to mitigate risks related to operations, credit, compliance, finance.

Development and implementation of Risk Control Matrix (RCM)

Key components of an organization's risk management framework is the Risk Control Matrix ('RCM') which systematically captures key risks (operational, regulatory and financial) and mitigating internal controls. It enables assessment of key controls through testing of data pertaining to each control - control description, financial statement assertions, test procedures and management action plans, etc. Backward integration of RCMs with existing risk-control assurance platforms would assist in addressing key requirements of Internal Financial Controls ('IFC'), under the Companies Act, 2013.

Key benefits of RCM

- Structured and consistent process for management of risk and controls.
- Demonstrates organization's ability to manage / mitigate risk in a comprehensive and timely manner. Strengthen Internal control/system reliance to ensure controls are adequate against all the risks involved.
- Fostering formalized, uniform, well controlled and efficient operating processes within the organization.

Increase system efficiency and its ability to support and make quick decisions to help the organization move at speed with the regulatory and other requirements.

Key Activities - Strengthening the Risk Control Matrices

Preparation / Updation of RCMs for key businesses and support functions:

Updating of risks and controls implemented withing key processes through testing and gap assessment Mapping controls to financial statement assertions and identify frequency of controls.

Testing of RCMs and integration with Internal Audit ('IA')

- Testing of RCMs is performed based on IFC guidelines wherein all the identified risks are categorized as 'key' or 'non-key'.

Reporting to Risk Committee and Audit Committee

- ➢ Reporting to Risk Committee and Audit Committee and thereafter to the Board of Directors.
- ➢ Updated RCMs to be shared with the management.

Internal Capital Adequacy Assessment Process (ICAAP)

The Reserve Bank of India ('RBI') vide its notification dated October 22, 2021 issued a Scale Based Regulation (SBR): Revised Regulatory Framework for NBFCs ("SBR Framework") under which the company was required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The Internal capital assessment factors in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally.

In furtherance to the same, the company had formulated a policy on Internal Capital Adequacy Assessment Process (ICAAP), which became effective from October 01, 2022.

The objective of the process is to ensure adequate capital is available to support all material risks in their businesses and use better risk management techniques for monitoring and managing risk.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company to the best of their knowledge and ability, confirms that-

a. in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d. they had prepared the annual accounts on a going concern basis; and

e. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company had an Internal Control System in place, commensurate with the size, scale and complexity of its operations. The Company had appointed M/s. Sanjiv Syal & Associates as the Internal Auditor of the Company for the Financial year 2022-23. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee had the responsibility for establishing the audit objectives and determines the nature, timing and extent of audit procedures as well as the locations where the work needs to be carried out.

The Internal Audit Department monitors and evaluates the efficacy & adequacy of internal financial controls & internal control system in the Company to mitigate the risks faced by the organization and thereby achieve its business objective.

Broadly the objectives of the project assigned are: -

- Review the adequacy and effectiveness of the internal controls through Internal Audit Policy.
- Review the operation of the Control Supervisory Mechanisms;
- Recommend improvements in processes and procedures;
- Surface significant observations and recommendations for process improvement and financial leakages in a concise report for discussion with senior management;
- Review the compliance with operating systems, accounting procedures and policies.

Based on the report of Internal Audit department, process owners undertake corrective action in their respective areas and thereby strengthen the internal controls. Significant audit observations and corrective actions thereon were presented to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS

During the Financial year under review National Housing Bank (NHB) had conducted Inspection of the Company as per the provisions of the NHB Act, 1987 and applicable Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021 (as amended from time to time) and such other applicable guidelines, regulations, rules, notifications and circulars with reference to its position as on for the Financial year 2020-21. The Company had successfully addressed the comments and requirements during the Inspection process within the specified timelines and submitted the same with NHB.

Further, no significant and material orders were passed by the RBI, regulators or courts or tribunals impacting the going concern status and Company's operations in future.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the company during the year under review.

The details of foreign exchange expenditure incurred during the year under review are as below:

(Million)

Particulars	March 31, 2022	March 31, 2023
Subscription and License Fee	0.42	-
Interest on bonds for Non-resident	-	-

PARTICULARS OF EMPLOYEES

Your directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation, and support enabled the Company to achieve new milestones on a continual basis.

In terms of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees of the Company had been provided at Annexure C to this Board's Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules.

The details were also available at the registered office of the Company, any member desirous of obtaining the same shall contact the Company Secretary during business hours on working days.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In terms of the requirement of Section 177 of Companies Act, 2013 and Rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company had formulated a codified vigil mechanism for their Directors and Employees to report their genuine concerns or grievances about unethical and improper practices or any other wrongful conduct in the Company, without fear of punishment, victimization or unfair treatment.

The vigil mechanism provided adequate safeguards against victimization of Employees and Directors who avail of the vigil mechanism and provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Also, the Whistle Blower Policy of the Company had been put up on the Company's website and available at the link:https://www.dmihousingfinance.in/pdf/DMI-HFC-Vigil-Mechanism-and-Whistle-Blower-Policy.pdf.

During the year, no complaint was received under the Whistle Blower mechanism and the same was reported to the Audit Committee Meeting.

SECRETARIAL AUDITORS AND REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, the Board of Directors of the Company has appointed M/s VLA & Associates, Company Secretaries as the Secretarial Auditor of the Company to conduct the Secretarial Audit. for the financial year ended March 31, 2023. The Secretarial Audit Report given by the secretarial auditor in requisite form MR-3 is annexed to this Report as Annexure-D.

The Auditors' Report was self-explanatory and has no qualification or adverse remarks.

MAINTENANCE OF COST RECORDS

Since the Company is into housing finance, the Company was not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

STATUTORY AUDITORS

The Company had re-appointed Ms. Agiwal and Associates, Firm Regd. No. 000181N as the new statutory auditors at the 11th Annual General Meeting held on September 09, 2022, to hold office for 3 years commencing from the financial year i.e. 2021-22 till the financial year 2023-24 as per the provisions of the Companies Act, 2013 and RBI Circular pertaining to appointment of Statutory Auditors. The firm carries extensive experience in the financial services sector and is one of the leading statutory audit firms in India.

The remuneration payable to the Statutory Auditors shall be as determined by the Board of Directors of the Company.

The Audit Report by Statutory Auditors for the financial year ending March 31, 2023, is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer. Further, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018, by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

AUDITOR'S OBSERVATION

The Directors examined the Auditors' Report on accounts for the period ended March 31, 2023. The Auditors' Report along with the relevant disclosures was self-explanatory and has no qualification or adverse remarks.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Even though operations of the Company were not energy intensive, the management had been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis. In view of the nature of activities which were being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence not been provided.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

No such valuation or one time settlement was done during the year as the company do not obtain loans from banks/ financial institutions against property.

DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013

The Company had complied with all the applicable provisions of Companies Act, 2013 and there were no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

DETAILS OF PENALTIES AND STRICTURES

No penalties or stricture were imposed on the company by the Reserve Bank or any other statutory authority.

BREACH OF COVENANT

There were no instances of breach of covenant of loan availed or debt securities issued.

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

There has been no divergence in asset classification and provisioning requirement as assessed by NHB during the year ended March 31, 2023.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Distributors and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all Executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

By order of the Board of Directors
For **DMI Housing Finance Private Limited**

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179

Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003

Place: London
Date: June 21, 2023

Mr. Rajul Bhargava
Director
DIN: 10098269

Address: P-1201 Sispal Vihar, AWHO Society,
Sector-49, Gurgaon-122018

Place: New Delhi
Date: June 21, 2023

Annexure-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(For Financial Year commencing from April 01, 2022 to March 31, 2023)

The Company on September 11, 2019 has constituted a Corporate Social Responsibility Committee (CSR) pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Further, the Company also has in place a duly approved Corporate Social Responsibility Policy formulated as per the prescribed provisions of Companies Act, 2013 and rules made thereunder as amended from time to time.

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company had adopted CSR Policy which aims at supplementing the role of government in enhancing the welfare measures for the underprivileged communities. In order to fulfill and enhance its CSR responsibilities. The company will distribute its CSR efforts in accordance with the provisions of the companies Act 2013, and thus, announce the following themes:

- Olympic Sports;
- Nutrition.
- Education and Vocational Training

2. The composition of CSR Committee:

S. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings attended during the year
1.	Mr. Tammir Amr	Director	2	1
2.	Mr. Gaurav Burman	Director	2	2
3.	Mr. Shivashish Chatterjee	Director	2	2
4.	Mr. Yuvraja Chanakya Singh	Director	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at https://www.dmihousingfinance.in/pdf/Corporate-Social-Responsibility-Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): NOT APPLICABLE

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No	Financial Year	Amount available for set-off from preceding Financial years (in ₹)	Amount required tobe setoff for the financial year,if any (in ₹)
-	-	-	-

6. Average net profit of the company as per section 135(5): ₹ 30,63,45,401.30/-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 61,26,908/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 61,26,908/-

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent forthe Financial Year (in ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specifiedunder Schedule VII as per second proviso to section 135(5)		
	Amount	Date Transfer Of	Name Fund Of	Amount	Date of Transfer
₹ 61,26,908/-	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S. No	Name of the Project	Item from the list of activities in Schedule VII tothe Act.	Local Area (Yes/ No)	Location ofthe Project (State/ District)	Project Duration	Amount allocated for the project (in ₹).	Amount spent in the current financial year (in ₹)	Amount transfered to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation-Direct (Yes/No)	Mode of Implementation- Through Implementing Agency (Name and CSR Reg No.)
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. no.	Name of The Project	Item from the list of activities in Schedule VIIto the Act.	Local Are (Yes/No)	Location of the Project (State/ Districtt)	Amount Spent for the project (in ₹).	Mode of Implementation -Direct(Yes/No)	Mode of Implementation -Through Implementing Agency (Name and CSR RegNo.)
1.	Ashoka University (Contribution to International Foundation for Research and Education)	Education	No	Sonepat, Haryana	1,17,553	Yes	Ashoka University (Contribution to International Foundation for Research and Education)- Reg. No.- CSR00000712
2.	Foundation promotion of Sports and Games	Olympic Sports	Yes	Multiple districts, PAN India	20,00,000	Yes	Foundation for Promotion of Sports and Games- Reg. No.- CSR00001100
3.	Samarpan Foundation	Home, Education, Nutrition	Yes	Delhi, India	10,00,000	Yes	Samarpan Foundation Reg. No. – CSR00000382
4.	SPIC Macay	Promotion of Indian Classical Music and Culture amongst Youth and to learn, participate and exchange ideas about art and music	Yes	In Schools Across India	5,00,000	Yes	SPIC MACAY- Reg. No.- CSR00014494

(1) S. no.	(2) Name of The Project	(3) Item from the list of activities in Schedule VIIto the Act.	(4) Local Are (Yes/No)	(5) Location of the Project (State/ Districtt)	(6) Amount Spent for the project (in ₹).	(7) Mode of Implementation -Direct(Yes/No)	(8) Mode of Implementation -Through Implementing Agency (Name and CSR RegNo.)
5.	Fatima Hospital	Healthcare	No	Gorakhpur, Uttar Pradesh	10,00,000	Yes	Fatima Hospital Reg. No. 503/1986
6.	Param Shakti Peeth	Promoting education, including special education and employment enhancing vocation skills especially among children	No	Vrindavan, Mathura Road	4,51,375	Yes	Param Shakti Peeth – Reg. No. – CSR00000072

(d) Amount Spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **61,26,908/-**

(g) Excess amount for set off, if any: **Nil**

S. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 61,26,908/-
(ii)	Total amount spent for the Financial Year	₹ 61,26,908/-
(iii	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. no.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (in ₹)	Date of Transfer	
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) S. no.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was Commenced	(5) Project Duration	(6) Total Amount Allocated for the project (in ₹).	(7) Amount Spent for the project In reporting Financial year (in ₹).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed/ Ongoing.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NOT APPLICABLE

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

Further, in terms of the amended CSR Rules, the Director of the Company has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the Board and Committee for FY 2023.

By order of the Board of Directors
For **DMI Housing Finance Private Limited**

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179

Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003

Place: London
Date: June 21, 2023

Mr. Rajul Bhargava
Director
DIN: 10098269

Address: P-1201 Sispal Vihar, AWHO Society,
Sector-49, Gurgaon-122018

Place: New Delhi
Date: June 21, 2023

Annexure-B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Nil, as the company has not entered into any contract, arrangement or transaction which is not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts / arrangements/ transaction ons	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board or Committee	(g) Amount paid as advances, if any:
Quickwork Technologies Private Limited	Availing the Chat Bot services	As per terms of contract	Company shall pay to Quickwork an amount of ₹ 8,89,302.00/-specified for rendering of chat bot services.	-	June 21, 2023	NA

By order of the Board of Directors
For **DMI Housing Finance Private Limited**

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179

Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003

Place: London
Date: June 21, 2023

Mr. Rajul Bhargava
Director
DIN: 10098269

Address: P-1201 Sispal Vihar, AWHO Society,
Sector-49, Gurgaon-122018

Place: New Delhi
Date: June 21, 2023

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
DMI Housing Finance Private Limited
Express Building, 3rd Floor 9-10,
Bahadur Shah Zafar Marg,
New Delhi - 110002

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DMI Housing Finance Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **Not applicable during the audit period under review;**

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable during the audit period under review;**

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **Not applicable during the audit period under review;**

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, [erstwhile The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009]- **Not applicable during the audit period under review;**

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable during the audit period under review;**

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- **Not applicable during the audit period under review;**

   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- **Not applicable during the audit period under review**

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **Not applicable during the audit period under review; and**

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable during the audit period under review.**

vi. Other laws as applicable specifically to the Company:

a. Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time;

b. National Housing Bank Act, 1987;

c. The Housing Finance Companies (NHB) Directions, 2010;

d. RBI Master Directions as applicable to Housing Finance Companies; and

e. National Housing Bank circulars, notifications & guidelines as applicable to the Company

I have also examined compliance with the applicable clauses of the following:

(i) The Secretarial Standards on Board meetings (SS-I) and Secretarial Standards on General Meetings (SS-II), as issued by the Institute of Company Secretaries of India.

The Company has complied with the provisions of the above referred Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The resolutions were passed at all the meetings by the requisite majority and there were no instances of the dissent which were required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For VLA & Associates
(Company Secretaries)

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Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622
UDIN: F007241E000592971

Place: New Delhi
Date: 12.07.2023

This report is to be read with our letter of even date which is annexed as **"Annexure-1"** and forms an integral part of this report.

Annexure-1

To,
The Members,
DMI Housing Finance Private Limited
Express Building, 3rd Floor, 9-10,
Bahadur Shah Zafar Marg,
New Delhi – 110002

My report of even date is to be read along with this letter:

Management's Responsibility

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.

2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **VLA & Associates**
(Company Secretaries)

Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622
UDIN: F007241E000592971

Place: New Delhi
Date: 12.07.2023

Independent Auditor's Report

To the Members of

DMI Housing Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DMI Housing Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

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

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

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 45 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

per P.C. Agiwal
Partner
Membership Number: 080475
UDIN No. 23080475BGWKUD2508

Place of Signature: Delhi
Date: June 21, 2023

Annexure 1

referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: DMI Housing Finance Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions. However, such loans are secured by way of negative lien over assets of the Company. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company's principal business is to give loans and is a registered HFC, accordingly, reporting under clause (iii)(a) is not applicable.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 5 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note 5 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) The company's principal business is to give loans and is a registered HFC, accordingly, reporting under clause (iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Monies raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second provison to sub section 5 of section 135 of the Act. This matter has been disclosed in note 41 to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 41 to the financial statements.

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

per P.C. Agiwal
Partner
Membership Number: 080475
UDIN No. 23080475BGWKUD2508

Place of Signature: Delhi

Date: June 21, 2023

Annexure 2

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

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

We have audited the internal financial controls with reference to financial statements of DMI Housing Finance Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to these 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

per P.C. Agiwal
Partner
Membership Number: 080475
UDIN No. 23080475BGWKUD2508

Place of Signature: Delhi
Date: June 21, 2023

Balance Sheet
as at March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,007.41	418.68
Bank balances other than cash and cash equivalents	4 (a)	90.41	80.68
Loans	5	11,328.35	8,525.32
Investments	6	1,276.33	2,438.32
Other financial assets	7	76.14	24.34
		15,778.64	**11,487.34**
Non- financial assets			
Current tax assets (net)		2.75	-
Deferred tax assets (net)	16	18.17	15.50
Property, plant and equipment	8(a)	13.72	18.94
Rights to use assets	37	11.39	17.84
Intangible assets under development	8(b)	0.26	1.06
Intangible assets	8(c)	16.24	16.19
Other non- financial assets	9	40.08	34.62
		102.61	**104.15**
Assets held for sale	10	5.08	2.11
TOTAL ASSETS		**15,886.33**	**11,593.60**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade Payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		1.76	1.63
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5.31	4.57
Debt Securities	12	3,488.32	3,489.29
Borrowings (other than Debt Securities)	13	5,000.45	1,519.02
Lease Liabilies	37	12.85	19.91
Other financial liabilities	14	823.37	417.48
		9,332.06	**5,451.90**
Non financial liabilities			
Provisions	15	31.17	31.46
Current tax liabilities (net)		-	5.13
Other Non-financial liabilities	17	48.94	30.74
		80.11	**67.33**
Equity			
Equity share capital	18	4,859.98	4,859.98
Other equity	19	1,614.18	1,214.39
TOTAL EQUITY		**6,474.16**	**6,074.37**
TOTAL LIABILITIES & EQUITY		**15,886.33**	**11,593.60**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Agiwal and Associates**
ICAI Firm Registration No. 000181N
Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475
Place: New Delhi
Date: 21- June- 2023

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 21- June- 2023

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: London
Date: 21- June- 2023

Preeti Singh
(Company Secretary)
Membership No: 29633
Place: Ghaziabad
Date: 21- June- 2023

Rajul Bhargava
Executive Director & CEO
DIN: 10098269
Place: New Delhi
Date: 21- June- 2023

Statement of Profit and Loss
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest Income	20	1,328.55	1,019.08
Fees and commission Income	21	85.64	51.38
Net gain on fair value changes	22	84.91	113.02
Net gain on derecognition of financial instruments under amortized cost category		43.26	-
Total revenue from operations		**1,542.36**	**1,183.48**
Total Income		**1,542.36**	**1,183.48**
Expenses			
Finance Costs	23	458.48	429.44
Impairment on financial instruments	24	22.65	33.26
Employee Benefits Expense	25	396.59	296.67
Depreciation, amortization and impairment	8	25.37	23.69
Other expenses	26	165.84	143.55
Total Expenses		**1,068.93**	**926.61**
Profit before tax		**473.43**	**256.87**
Tax Expense:			
(1) Current Tax	16		
a) Pertaining to profit for the current period		121.25	82.78
b) Adjustment of tax relating to earlier periods		0.18	-
(2) Deferred Tax		(3.06)	(18.10)
Total of Tax Expense		**118.37**	**64.68**
Profit for the year		**355.06**	**192.19**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit obligation		1.54	1.36
Income Tax Effect		(0.39)	(0.34)
Other Comprehensive Income, net of income tax		1.15	1.02
Total Comprehensive Income for the year		**356.21**	**193.21**
Earnings per equity share	27		
Basic (₹)		0.66	0.36
Diluted (₹)		0.66	0.36
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Agiwal and Associates**
ICAI Firm Registration No. 000181N
Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475
Place: New Delhi
Date: 21- June- 2023

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 21- June- 2023

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: London
Date: 21- June- 2023

Preeti Singh
(Company Secretary)
Membership No: 29633
Place: Ghaziabad
Date: 21- June- 2023

Rajul Bhargava
Executive Director & CEO
DIN: 10098269
Place: New Delhi
Date: 21- June- 2023

Statement of Cash Flow
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from Operating Activities:**			
	Profit before tax		**473.43**	**256.87**
	Adjustment to reconcile profit before tax to net cash flows :			
	Depreciation and amortization expense		25.37	23.69
	Gain on sale of Mutual funds		(84.91)	(113.02)
	Impairment loss allowance on financial instruments		22.65	33.26
	Provision for employee benefits		3.83	6.68
	Interest expense on borrowings		451.93	420.84
	Interest expense on lease liabilities		1.50	1.89
	Share based payments		13.21	11.95
	Accrued income on fixed deposits		(3.23)	(2.53)
			903.78	**639.63**
	Movement in Working Capital			
	Change in financial & other assets		(2,894.98)	(982.09)
	Change in financial & other liabilities		410.25	434.69
	Change in non financial assets		**(10.87)**	**(7.04)**
	Change in non financial liabilities		22.28	14.03
	Total of changes in Working Capital		**(1,569.54)**	**99.22**
	Direct taxes paid		(118.37)	(64.68)
	Net cash flow used in Operating Activities (A)		**(1,687.91)**	**34.54**
B	**Cash flow from Investing Activities:**			
	Inflow on account of :			
	Proceeds from sale of investment in mutual funds		8,909.39	3,790.00
	Purchase of investment in mutual funds		(6,400.27)	(2,521.08)
	Investment in fixed deposits, net		(16.23)	(3.10)
	Purchase of investments in asset backed securities		(1,408.42)	-
	Proceeds from investments in asset backed securities		132.09	-
	Interest income on fixed deposits		14.53	11.60
	Purchase of Property plant & equipments, intangible assets	8	(12.94)	(18.98)
	Proceeds from sale of investment in NCDs		23.77	50.30
	Net cash flow from investing activities (B)		**1,241.92**	**1,308.74**

Statement of Cash Flow

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
C	**Cash flow from Financing Activities:**			
	Proceeds from issuance of Share capital (including share premium) net of share issue expenses		18.18	12.50
	Proceeds from borrowings/(Repayment of borrowings), net		3,480.50	(789.25)
	Interest paid on borrowing		(451.93)	(420.84)
	Payment of lease liabilities		(10.53)	(10.55)
	Interest expense on lease liabilities		(1.50)	(1.89)
	Net cash flow from financing activities (C)		**3,034.72**	**(1,210.03)**
	Net increase in cash and cash equivalents (A+B+C)		**2,588.73**	**133.25**
	Cash and cash equivalents as at the beginning of the year		418.68	285.43
	Cash and cash equivalents at the end of the year	4	3,007.41	418.68
	Cash & cash equivalent include :			
	Cash in hand		0.00	0.01
	Balance with banks in current accounts		3,007.41	418.67
	Total cash and cash equivalents	4	**3,007.41**	**418.68**
	Summary of significant accounting policies	3		

The accompanying notes are integral part of financial statements.

For disclosure of financing transactions that do not require the use of cash and cash equivalents, refer note 13.1

Note:-

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped/ reclassified wherever applicable.

The accompanying notes are an integral part of the financial statements
As per our report of even date

For **Agiwal and Associates**
ICAI Firm Registration No. 000181N
Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475
Place: New Delhi
Date: 21- June- 2023

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 21- June- 2023

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: London
Date: 21- June- 2023

Preeti Singh
(Company Secretary)
Membership No: 29633
Place: Ghaziabad
Date: 21- June- 2023

Rajul Bhargava
Executive Director & CEO
DIN: 10098269
Place: New Delhi
Date: 21- June- 2023

Statement of Changes in Equity
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

a. Equity Share Capital

	No. of Shares	Amount
As at April 01 2021	**53,40,24,765**	**4,859.05**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	53,40,24,765	4,859.05
Changes in equity share capital during the current year(refer note 18)	93,399	0.93
Balance at the end of the March 31 2022	**53,41,18,164**	**4,859.98**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	53,41,18,164	4,859.98
Changes in equity share capital during the current year(refer note 18)	-	-
Balance at the end of the March 31 2023	**53,41,18,164**	**4,859.98**

b. Other Equity

Particulars	Reserves and Surplus					
	Securities premium Account	Warrant premium	Reserve U/s 29C of the NHB Act 1987	Share Based Payments Reserve	Retained Earnings	Total
At April 01 2021	**478.47**	**5.00**	**114.18**	**21.84**	**376.34**	**995.83**
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	478.47	5.00	114.18	21.84	376.34	995.83
Profit for the year	-	-	-	-	192.19	192.19
Other Comprehensive Income	-	-	-	-	1.02	1.02
Total comprehensive income	**-**	**-**	**-**	**-**	**193.21**	**193.21**
Add: Share issue expense	1.80	-	-	-	-	1.80
Add: Share based payments	-	-	-	13.79	-	13.79
Add : Share Warrant issue expense	-	9.76	-	-	-	9.76
Transferred to Reserve u/s 29C of the NHB Act, 1987	-	-	38.43	-	-38.43	-
At 31 March 2022	**480.27**	**14.76**	**152.61**	**35.63**	**531.12**	**1,214.39**
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	480.27	14.76	152.61	35.63	531.12	1,214.39
Profit for the year	-	-	-	-	355.06	355.06
Other Comprehensive Income	-	-	-	-	1.15	1.15
Total comprehensive income	**-**	**-**	**-**	**-**	**356.21**	**356.21**
Add: Share based payments	-	-	-	25.40	-	25.40
Add : Share Warrant issue expense	-	18.18	-	-	-	18.18
Transferred to Reserve u/s 29C of the NHB Act, 1987	-	-	71.01	-	-71.01	-
At 31 March 2023	**480.27**	**32.94**	**223.62**	**61.03**	**816.32**	**1,614.18**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Agiwal and Associates**
ICAI Firm Registration No. 000181N
Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475
Place: New Delhi
Date: 21- June- 2023

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 21- June- 2023

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Place: London
Date: 21- June- 2023

Preeti Singh
(Company Secretary)
Membership No: 29633
Place: Ghaziabad
Date: 21- June- 2023

Rajul Bhargava
Executive Director & CEO
DIN: 10098269
Place: New Delhi
Date: 21- June- 2023

Notes to the Financial Statements

for the year ended March 31, 2023

1. Corporate Information

DMI Housing Finance Private Limited ('the Company') is a company domiciled in India as a private limited company. The company is registered with the National Housing Bank ('NHB') as a housing finance company.

The Company is mainly engaged in the business of providing housing loans. The registered office of the Company is Express Building, 3rd Floor, 9-10, Bahadur Shah Zafar Marg, Delhi – 110 002.

2. Basis of preparation

a. Statement of compliance in preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 ('the RBI Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019- 20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019- 20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

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

b. Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when Ind AS specifically permits the same or it has an unconditionally legally enforceable rights to offset the recognized amounts without being contingent on future events. Similarly, the Company offsets the income and expenses and reports the same on a net basis when permitted by Ind AS specifically.

3. Significant accounting policies

(a) Use of significant accounting judgement, estimates and assumptions

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

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

i) Impairment loss on financial assets

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 39 for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at Mach 31, 2022.

Notes to the Financial Statements
for the year ended March 31, 2023

ii) Business Model Assumption

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

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

iii) Defined employee benefit assets and liabilities

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

iv) Share Based Payments

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

v) Fair value measurement

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

(b) Cash and cash equivalents

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

(c) Recognition of income and expense

i) Interest income

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

Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest

Notes to the Financial Statements
for the year ended March 31, 2023

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

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

ii) Interest expense

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

iii) Other charges and other interest

Overdue interest, foreclosure charges and other fees which include cheque bounce charge, legal charges, and prepayment charges, etc. are recognized as income when there is certainty regarding the receipt of payment.

iv) Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when shareholders approve the dividend.

(d) Leases

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

Where the Company is lessee

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

i) Right-of-use assets

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

ii) Lease Liability

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily

Notes to the Financial Statements
for the year ended March 31, 2023

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short Term Lease

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

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

PPE

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

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

Intangible fixed assets

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

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

(f) Depreciation and amortization

Depreciation

Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying written down value method. The Company has used the following useful lives to provide depreciation on its PPE.

PPE	Useful Life (In Years)
Furniture and fixtures	10
Office equipment	5
Computers and printers	3

Leasehold improvements are amortized on a straight-line basis over useful life of 3 to 6 years estimated by management. Estimated life of software has been estimated as five years.

All fixed assets individually costing ₹5,000/- or less are fully depreciated in the year of installation/ purchase.

Amortization

Intangible assets are amortized on a SLM basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed four years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds four years, the Company amortizes the intangible asset over the best estimate of its useful life.

(g) Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding

Notes to the Financial Statements

for the year ended March 31, 2023

retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

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

Contingent Assets are not recognised in the financial statements.

(h) Retirement and other employee benefits

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

The Company operates following employee benefit plans:

i) Employee Provident Fund

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

ii) Gratuity

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

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

iii) Leaves

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

(i) Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure

Notes to the Financial Statements
for the year ended March 31, 2023

Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity) is recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

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

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

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

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

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

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

(j) Earning per share

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

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

(k) Share based payments

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

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

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

(l) Financial instruments

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

Notes to the Financial Statements
for the year ended March 31, 2023

Financial Assets
Initial recognition and measurement

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

Classification and Subsequent measurement

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

- Debt instruments/Loan Portfolio at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Investment in mutual funds and security receipts at fair value through profit and loss account.

Debt instrument/Loan portfolio at amortised costs

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

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

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

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

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

Debt instrument at FVOCI

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

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

Debt instrument 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).

Notes to the Financial Statements
for the year ended March 31, 2023

However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit & Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity instruments at FVTPL

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

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

Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Reclassification of financial assets and liabilities

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

De-recognition of financial asset and financial liability

Financial Assets

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

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

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

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

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

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

Notes to the Financial Statements
for the year ended March 31, 2023

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

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

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

(m) Impairment of financial assets

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

The Company is recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and Excess Interest Spread (EIS) receivable, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 5.2.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 5.1.

The Company has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition. This is further explained in Note 5.2.

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the group recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired (as outlined in Note 5). The group records an allowance for the LTECLs.

Notes to the Financial Statements

for the year ended March 31, 2023

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced.

Calculation of ECL

The Company calculates ECLs on loans and EIS Receivable based on probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Loan commitments: When estimating ECLs for undisbursed loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For loan commitments, the ECL is recognised within Provisions.

Provisions for ECLs for undisbursed loan commitments are assessed as set out in Note 15.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.

- EAD - The Exposure at Default is an exposure at a default date. The EAD is further explained in Note 5.2.

- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 5.2.

The maximum year for which the credit losses are determined is the expected life of a financial instrument. The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information

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

Notes to the Financial Statements

for the year ended March 31, 2023

overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Definition of default and cure

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

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

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

Collateral repossessed

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the HFC under SARFAESI act. In its normal course of business, the company does not physically repossess properties or other assets in its retail portfolio, but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and are treated as assets held for sale at (i) fair value less cost to sell or (ii) principle outstanding, whichever is less, at the repossession date.

Write-offs

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

Non-financial assets

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(n) Fair value measurement

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

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

Notes to the Financial Statements
for the year ended March 31, 2023

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

(o) Dividend Paid

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

(p) Functional and presentation currency

Initial recognition:

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

Conversion:

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

Exchange differences:

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

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

4 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash in hand	0.00	0.01
Balance with banks		
In Current accounts	3,007.41	418.67
	3,007.41	**418.68**
4 (a) Bank balances other than cash and cash equivalents		
Fixed deposit with bank	-	-
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	90.41	80.68
	90.41	**80.68**

5 Loans

At amortised cost	As at March 31, 2023	As at March 31, 2022
Term Loan	11,408.84	8,595.38
Total (A) Gross	**11,408.84**	**8,595.38**
Less: Impairment loss allowance	80.49	70.06
Total (A) Net	**11,328.35**	**8,525.32**
Secured by tangible assets (Hypothecation of equitable mortgage of immovable property etc.)	11,408.84	8,595.38
Covered by Bank/Government Guarantees	-	-
Unsecured	-	-
Total (B) Gross	**11,408.84**	**8,595.38**
Less: Impairment loss allowance	80.49	70.06
Total (B) Net	**11,328.35**	**8,525.32**
Loans in India		
Public Sector	-	-
Others	11,408.84	8,595.38
Total (C) Gross	**11,408.84**	**8,595.38**
Less: Impairment loss allowance	80.49	70.06
Total (C-I) Net	**11,328.35**	**8,525.32**
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C-II) Net	**-**	**-**
Total (C-I) and (C-II)	**11,328.35**	**8,525.32**

i) Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or personal guarantees and/or hypothecation of assets.

ii) The Company has assigned a pool of certain loans amounting to ₹ 393.69 Mn during the year ended March 31, 2023 (March 31, 2022- NIL) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis.The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

5 Loans (Contd..)

iii) The Company is not granting any loans against gold jewellery as collateral.

iv) The Company is not granting any loans against security of shares as collateral.

v) Loans sanctioned but un-disbursed amount is ₹ 1215.15 Mn as on March 31, 2023 (2022- ₹ 808.36 Mn)

vi) The Company has sanctioned certain loans to staff amounting to ₹ 24.69 Mn as on March 31,2023 (2022- ₹ 11.80 Mn)

Note 5.1 Credit Quality of assets

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties. The Company groups its exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics. Following asset class represents homogeneous pools determined by the Company for risk categorisation:

- Individual Housing Loan
- Individual Non-Housing Loan
- Corporate Loan

Details of companies risk assessement model are explained in Note 35

5.1.1 Housing and Non Housing Loan

An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

5.1.1.1 Analysis of risk categorisation

Particulars	March 31, 2023							
	Individual Housing & Non Housing				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	11,057.27	287.84	63.73	11,408.84	-	-	-	-
Less: Impairment Loss Allowance *	4.28	57.09	19.12	80.49	-	-	-	-
Net Carrying Amount	**11,052.99**	**230.75**	**44.61**	**11,328.35**	**-**	**-**	**-**	**-**

* ECL of ₹ 0.90 Mn is created on undisbursed loan commitments. Refer note 15

Particulars	March 31, 2022							
	Individual Housing & Non Housing				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	8,238.96	273.66	82.62	8,595.24	-	-	0.14	0.14
Less: Impairment Loss Allowance *	35.83	4.72	29.31	69.86	-	-	0.00	0.00
Net Carrying Amount	**8,203.13**	**268.94**	**53.31**	**8,525.38**	**-**	**-**	**-**	**-**

* ECL of ₹ 3.49 Mn is created on undisbursed commitments. Refer note 15

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

5 Loans (Contd..)

5.1.1.2. Reconciliation of gross carrying amount is as follows:

Particulars	March 31, 2023							
	Individual Housing & Non Housing				Corporate			
	Stage 1*	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2022	**8,238.96**	**273.66**	**82.62**	**8,595.24**	**-**	**-**	**0.14**	**0.14**
New asset originated or purchased	4,792.13			4,792.13	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(1,901.75)	(35.04)	(29.56)	(1,966.35)	-	-	(0.14)	(0.14)
Transfers from Stage 1	(98.52)	71.12	27.40	-	-	-	-	-
Transfers from Stage 2	19.02	(34.63)	15.61	-	-	-	-	-
Transfers from Stage 3	7.42	12.73	(20.15)	-	-	-	-	-
Amounts written off			(12.18)	(12.18)				
Gross carrying amount as at March 31,2023	**11,057.26**	**287.84**	**63.74**	**11,408.84**	**-**	**-**	**-**	**-**

* Includes overdue from 1 to 30 days amounting to INR 136.14 Mn as at 31st March 2023

Particulars	March 31, 2022							
	Individual Housing & Non Housing				Corporate			
	Stage 1*	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	**7,316.34**	**148.43**	**38.21**	**7,502.98**	**112.49**	**-**	**-**	**112.49**
New asset originated or purchased	3,022.49	-	-	3,022.49	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(1,904.29)	(21.19)	(4.75)	(1,930.23)	(112.35)	-	-	(112.35)
Transfers from Stage 1	(215.59)	196.25	19.34	-	(0.14)	-	0.14	-
Transfers from Stage 2	18.31	(53.36)	35.05	-	-	-	-	-
Transfers from Stage 3	1.70	3.53	(5.23)	-	-	-	-	-
Gross carrying amount as at March 31, 2022	**8,238.96**	**273.66**	**82.62**	**8,595.24**	**-**	**-**	**0.14**	**0.14**

* Includes overdue from 1 to 30 days amounting to INR 109.89 Mn as at 31st March 2022

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

5 Loans (Contd..)

5.1.1.3 Impairment allowance for loans to customers:

Particulars	March 31, 2023							
	Individual Housing & Non Housing				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 01, 2022	**35.85**	**4.72**	**29.35**	**69.92**	**-**	**-**	**0.14**	**-**
ECL remeasurement due to changes in EAD/ Credit Risk/ Assumptions (Net)	(34.30)	48.26	(3.39)	10.57	-	-	-0.14	(0.14)
Transfers from Stage 1	(0.40)	0.30	0.10	-	-	-	-	-
Transfers from Stage 2	0.36	(0.66)	0.30	-	-	-	-	-
Transfers from Stage 3	2.77	4.47	(7.24)	-	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2023	**4.28**	**57.09**	**19.12**	**80.49**	**-**	**-**	**-**	**-**

Particulars	March 31, 2022							
	Individual Housing & Non Housing				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 01, 2021	**23.90**	**3.42**	**12.98**	**40.30**	**73.91**	**-**	**-**	**73.91**
ECL remeasurement due to changes in EAD/ Credit Risk/ Assumptions (Net)	11.71	0.84	17.07	29.62	(73.91)	-	0.14	(73.77)
Transfers from Stage 1	(0.68)	0.62	0.06	-	(0.00)	-	0.00	-
Transfers from Stage 2	0.41	(1.22)	0.81	-	-	-	-	-
Transfers from Stage 3	0.51	1.06	(1.57)	-	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2022	**35.85**	**4.72**	**29.35**	**69.92**	**0.00**	**-**	**0.14**	**0.14**

5.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of significant accounting policies.

- **Definition of default and cure**

  The Company considers a financial instrument as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage 3 if there is significant deterioration in the loan collateral, 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.

- **Probability of default ("PD")**

  The Company uses blend of account level delinquency while assigning Probability of Default (PD) at a portfolio level. The PDs are computed for homogenous portfolio segments.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

5 Loans (Contd..)

- **Exposure at default ("EAD")**

  The Gross carrying amount as at the reporting date is considered as EAD by the Company. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

- **Loss given default ("LGD")**

  The Company uses historical loss data/external agency LGD for identified homogenous pools for the purpose of calculating LGD. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

- **Significant increase in credit risk**

  The Company evaluates the loans on an ongoing basis. The Company also assesses if there has been a significant increase in credit risk since the previously assessed risk taking into consideration both qualitative and quantitative information. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due and when the accounts have been restructured under the RBI Resolution Framework.

- **Risk assessment model**

  The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

5.3 Collateral

The company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial). In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through legal means to recover due loan repayments. Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI Act to recover outstanding debt.

The Company did not hold any financial instrument for which no loss allowance is recognized because of collateral at March 31, 2023. There was no change in the Company's collateral policy during the year.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

6 Investments

		At Fair Value			
	Amortised Cost	Through other comprehensive income	Through profit or loss	Others	Total
As at March 31, 2023					
Mutual funds	-	-	-	-	-
Debt securities	0.54	-	-	-	0.54
Asset backed securities	1,276.33	-	1,276.33	-	1,276.33
Total (A)	**1,276.87**	**-**	**1,276.33**	**-**	**1,276.87**
Investments outside India	-	-	-	-	-
Investments in India	1,276.87	-	1,276.33	-	1,276.87
Total (B)	**1,276.87**	**-**	**1,276.33**	**-**	**1,276.87**
Total (A) to tally with (B)	**1,276.87**	**-**	**-**	**-**	**1,276.87**
Less: Allowance for Impairment loss (C)*	0.54	-	-	-	0.54
Total Net D = (A) -(C)					
As at March 31, 2022					
Mutual funds	2,414.68	-	2,414.68	-	2,414.68
Credit substitutes	24.32	-	-	-	24.32
Total (A)	**2,439.00**	**-**	**2,414.68**	**-**	**2,439.00**
Investments outside India	–	-	-	-	-
Investments in India	2,439.00	-	2,414.68	-	2,439.00
Total (B)	**2,439.00**	**-**	**2,414.68**	**-**	**2,439.00**
Total (A) to tally with (B)	**2,439.00**	**-**	**2,414.68**	**-**	**2,439.00**
Less: Allowance for Impairment loss (C)*	0.68	-			0.68
Total Net D = (A) -(C)	**2,438.32**	**-**	**2,414.68**	**-**	**2,438.32**

* The company has not recognised any impairment loss allowance on asset backed securities due to credit enhancement by the originating NBFC.

6.1.1. For Debt Securities

An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

6.1.1.1 Analysis of risk categorisation

Particulars	March 31, 2023			
	Debt Securities			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	-	-	0.54	0.54
Less: Impairment Loss Allowance	-	-	0.54	0.54
Net Carrying Amount	-	-	-	-

Particulars	March 31, 2022			
	Debt Securities			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	23.77	-	0.54	24.31
Less: Impairment Loss Allowance	0.13	-	0.54	0.67
Net Carrying Amount	**23.64**	**-**	**-**	**23.64**

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

6 Investments (Contd..)

6.1.1.2. Reconciliation of gross carrying amount is as follows:

Particulars	March 31, 2023 Debt Securities			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2022	23.77	-	0.54	24.31
Assets derecognized or repaid(excluding write offs)	(23.77)		-	(23.77)
Transfers from Stage 1		-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount as at March 31, 2023	**-**	**-**	**0.54**	**0.54**

Particulars	March 31, 2022 Debt Securities			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	74.96	-	0.54	75.50
Assets derecognized or repaid(excluding write offs)	(51.19)		-	(51.19)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount as at March 31, 2022	**23.77**	**-**	**0.54**	**24.31**

6.1.1.3. Impairment allowance for credit substitutes:-

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for credit substitutes as at April 01, 2022	0.13	-	0.54	0.67
ECL remeasurement due to changes in EAD/ Credit Risk/ Assumptions (Net)	(0.13)	-	-	(0.13)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for credit substitutes as at March 31, 2023	**-**	**-**	**0.54**	**0.54**

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for credit substitutes as at April 01, 2021	1.05	-	0.54	1.59
ECL remeasurement due to changes in EAD/ Credit Risk/ Assumptions (Net)	(0.92)	-	-	(0.92)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for credit substitutes as at March 31, 2022	**0.13**	**-**	**0.54**	**0.67**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

7 Other financial assets (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Excess Interest Spread (EIS) receivable*	42.62	-
Security deposit	3.11	2.78
Receivable from insurance company	7.52	10.56
Receivable from group company	22.71	10.52
Other receivable	0.64	0.48
	76.60	**24.34**
Less: Impairment loss allowance (on recoverable from customer)	(0.46)	-
Total	**76.14**	**24.34**

* Under Ind AS with respect to Assignment deals, company has created an EIS receivable, with corresponding credit to statement of profit and loss, which has been computed by discounting EIS to present value.

The company does not have trade receivables during the year ended March 31, 2023 and March 31,2022 and thus have not disclosed trade receivable ageing schedule as required Schedule III

8(a) Property, plant and equipment

	Lease Hold Improvements	Computers and printers	Furniture and fixtures	Office equipment	Total
Cost					
At April 01, 2021	**39.77**	**16.93**	**2.63**	**6.88**	**66.21**
Additions	-	5.33	0.01	0.16	5.50
Disposals	(3.86)	-	(0.09)	(0.33)	(4.27)
At March 31, 2022	**35.91**	**22.26**	**2.55**	**6.71**	**67.44**
Additions	1.26	5.51	0.04	0.33	7.14
Disposals	(0.71)	-	-	(0.44)	(1.15)
At March 31, 2023	**36.46**	**27.77**	**2.59**	**6.60**	**73.43**
Accumulated Depreciation					
At April 01, 2021	**19.24**	**13.99**	**1.37**	**5.80**	**40.40**
Charge for the year	7.22	3.04	0.32	0.45	11.02
Disposals	(2.55)	(0.05)	(0.05)	(0.26)	(2.91)
At March 31, 2022	**23.91**	**16.98**	**1.64**	**5.99**	**48.51**
Charge for the year	6.41	5.28	0.24	0.37	12.30
Disposals	(0.68)	-	-	(0.41)	(1.09)
At March 31, 2023	**29.64**	**22.26**	**1.88**	**5.95**	**59.72**
Net Book Value					
At April 01, 2021	20.53	2.94	1.26	1.08	25.81
At March 31, 2022	**12.00**	**5.27**	**0.91**	**0.72**	**18.94**
At March 31, 2023	**6.82**	**5.51**	**0.70**	**0.64**	**13.70**

Note :-There have been no acquisitions through business combinations and no change of amount due to revaluation of Property,plant and equipment and other intangible assets during the year ended 31 March 2023 and 31 March 2022.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

8(b) Intangible assets under development:

Intangible assets under development as on 31 March2023 ₹ 0.26mn (31 March 2022- ₹ 1.06mn)

Intangible assets under development	Amount in intangible assets under development for the period of				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Project in Progress	0.26	-	-	-	0.26

Intangible assets under development as on 31 March 2022 ₹1.06 Mn(2021- 0.65 Mn)

Intangible assets under development	Amount in intangible assets under development for the period of				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Project in Progress	0.41	0.65	-	-	1.06

8(c) Intangible assets

Intangible assets	Software	Total
Cost		
At April 01, 2021	**20.88**	**20.88**
Additions	3.30	3.30
Disposals	-	-
At March 31, 2022	**24.18**	**24.18**
Additions	4.74	4.74
Disposals	-	-
At March 31, 2023	**28.92**	**28.92**
Accumulated Amortization		
At April 01, 2021	4.04	4.04
Charge for the year	3.96	3.96
At March 31, 2022	**8.00**	**8.00**
Charge for the year	4.69	4.69
At March 31, 2023	**12.69**	**12.69**
Net Book Value		
At March 31, 2022	**16.18**	**16.18**
At March 31, 2023	**16.23**	**16.23**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

8(d) Right to use Assets

Particulars	Building & Office Premises	Total
Cost		
At April 01, 2021	**34.91**	**34.91**
Additions	10.38	10.38
Disposals	(0.26)	(0.26)
At March 31, 2022	**45.03**	**45.03**
Additions	3.03	3.03
Disposals	(1.10)	(1.10)
At March 31, 2023	**46.96**	**46.96**
Accumulated Amortization		
At April 01, 2021	18.47	18.47
Charge for the year	**8.72**	**8.72**
At March 31, 2022	**27.19**	**27.19**
Charge for the year	**8.38**	**8.38**
At March 31, 2023	**35.57**	**35.57**
Net Book Value		
At March 31, 2022	**17.84**	**17.84**
At March 31, 2023	**11.40**	**11.40**

9 Other non- financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	6.27	4.94
Balance with Government authorities	31.38	28.20
Other Recoverable	2.18	0.65
Advance to Vendors	0.25	0.83
Total	**40.08**	**34.62**

10 Assets Held For Sale

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale (refer note 10(a))	5.69	2.81
Less : Impairment loss allowance	(0.61)	(0.70)
Total	**5.08**	**2.11**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

11 Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises*	1.76	1.63
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5.31	4.57
Total	**7.07**	**6.20**

Trade Payable ageing schedule as on March 31, 2023

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
(i) MSME	1.76	-	-	-	1.76
(ii) Others	5.21	-	-	0.10	5.31
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-
	6.97	**-**	**-**	**0.10**	**7.07**

Trade Payable ageing schedule as on March 31, 2022

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
(i) MSME	1.63	-	-	-	1.63
(ii) Others	4.57	-	0.10	-	4.67
(iii) Disputed dues - MSME	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-
	6.20	**-**	**0.10**	**-**	**6.30**

***Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006**

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal amount	1.76	1.63
- Interest thereon	-	-
the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:		
- Principal amount	-	-
- Interest thereon	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act		
the amount of interest accrued and remaining unpaid	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

12 Debt Securities

Particulars	As at March 31, 2023	As at March 31, 2022
Secured *		
Non-convertible debentures		
2953 (March 31 2022 : 2953),8.50 % rated, unlisted, secured,reedemable, non-convertible debentures of face value of ₹ 10,00,000 each, maturing at 28 February, 2024	2,972.81	2,973.78
513 (March 31 2022 : 513),8.50 % rated, unlisted, secured,reedemable, non-convertible debentures of face value of ₹ 10,00,000 each, maturing at 10 December, 2023	515.51	515.51
Total gross (A)	**3,488.32**	**3,489.29**
Debt securities in India	3,488.32	3,489.29
Debt securities outside India	-	-
Total (B)	**3,488.32**	**3,489.29**

* Secured against exclusive floating charge by way of hypothecation of lending book/ receivables of the Company.

12.1 Terms of repayment of Debt Securities Outstanding as on March 31, 2023

Particular	Rate	Due within 1 year		Due 1 to 2 years		Total
		No. of installments	Amount	No. of installments	Amount	
DMI Income Fund PTE Ltd	8.50%	2	515.51	-	-	515.51
DMI Income Fund PTE Ltd	8.50%	2	2,973.01	-	-	2,973.01
EIR Adjustment						(0.20)
Total						**3,488.32**

12.2 Terms of repayment of Debt Securities Outstanding as on March 31, 2022

Particular	Rate	Due within 1 year		Due 1 to 2 years		Total
		No. of installments	Amount	No. of installments	Amount	
DMI Income Fund PTE Ltd	8.50%	1	21.20	1	2,953.00	2,974.20
DMI Income Fund PTE Ltd	8.50%	1	2.51	1	513.00	515.51
EIR Adjustment						(0.42)
Total						**3,489.29**

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

13 Borrowings (Other Than Debt Securities)

At amortised cost	As at March 31, 2023	As at March 31, 2022
Secured		
Terms Loans		
From NHB	727.48	959.89
From Bank	4,272.97	559.13
Total gross (A)	**5,000.45**	**1,519.02**
Borrowings in India	5,000.45	1,519.02
Borrowings outside India	-	-
Total (B)	**5,000.45**	**1,519.02**

Default: There are no defaults as on balance sheet date in repayment of borrowing and interest thereon.

Cash Credit: HDFC Bank has sanctioned Cash Credit limit of ₹ 500 Mn during the year ended March 31,2023 and March 31, 2022-NIL. Outstanding Balance of cash credit is NIL during the year ended March 31, 2023 -NIL and March 31, 2022 -NIL.

Bank Guarantee: The company has given the Bank Guaratnee of ₹ 75 Mn to National Housing Bank as security for the santioned of Rs 750 Mn.

End Use: The Company has taken borrowings from banks, NBFC's, National Housing Bank and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2023 and 31 March 2022 are held by the Company in the form of fixed deposits with banks and financial Institutions till the time the utilisation is made subsequently.

The quarterly statements filed with banks are in agreement with books of accounts.

Secured against exclusive floating charge by way of hypothecation of lending book/ receivables of the Company.

Term Loans from National Housing Bank carry rate of interest from the range of 3.90% to 8.05% and tenor from 2 to 6 years along with quarterly repayment schedule.

Term Loans from Banks carry rate of interest from the range of 8.70% to 10% and tenor from 2 to 7 years along with monthly and quarterly repayment schedule.

Changes in liabilities arising from financing activities

Pariculars	As at March 31, 2022	Cash flows	Other*	As at March 31, 2023
Debt securities	3,489.29	-	(0.97)	3,488.32
Borrowings	1,519.02	3,494.94	(13.51)	5,000.45
Total	**5,008.31**	**3,494.94**	**(14.48)**	**8,488.77**

Pariculars	As at March 31, 2021	Cash flows	Other*	As at March 31, 2022
Debt securities	3,489.22	-	0.07	3,489.29
Borrowings	2,308.32	(544.17)	(245.13)	1,519.02
Total	**5,797.54**	**(544.17)**	**(245.06)**	**5,008.31**

* Other column includes amortisation of transaction cost and hedge impact of borrowings and Interest accrued on borrowings

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

13.1 Terms of repayment of long term borrowings (Other Than Debt Securities) outstanding as at March 31, 2023

Original maturity of loan	Interest (%)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total Amt.
		No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	
Monthy repayment schedule														
Development Credit Bank	10.43%	12	15.38	4	4.83			-	-	-	-	-	-	20.21
HDFC Bank Limited	8.24%	12	61.92	12	60.00	12	60.00	12	60.00	6	30.00	-	-	271.92
Union Bank TL	8.35%	12	35.71	12	35.71	12	35.71	12	35.71	12	35.71	21	62.40	240.97
Kotak	8.95%	12	30.00	12	30.00	12	30.00	12	30.00	12	30.00			150.00
Quarterly repayment schedule														
State Bank of India	8.60%	3	22.55	-	-	-	-	-	-	-	-	-	-	22.55
State Bank of India	8.85%	4	76.86	4	74.07	4	74.07	4	74.07	4	74.07	-	-	373.15
State Bank of India	8.85%	3	232.07	4	296.30	4	296.30	4	296.30	4	296.30	3	192.59	1,609.84
South indian Bank	9.40%	4	14.95	-	-	-	-	-	-	-	-	-	-	14.95
South indian Bank	8.75%	4	28.57	4	28.57	4	28.57	4	28.57	4	28.57	7	50	192.79
Indian Bank	8.70%	4	108.16	4	105.20	4	105.20	3	84.40	-	-	-	-	402.96
Catholic Syrian Bank	8.75%	4	42.00	4	42.00	4	42.00	4	42.00	4	41.93	-	-	209.93
Bank of Baroda	8.90%	4	90.00	4	90.00	4	90.00	4	90.00	4	89.89	-	-	449.89
Bandhan Bank	8.90%	2	36.84	4	73.68	4	73.68	4	73.68	4	73.68	1	18	349.99
National Housing Bank	8.05%	4	160.00	3	127.79	-	-	-	-	-	-	-	-	287.79
National Housing Bank	7.95%	4	77.20	4	77.20	4	77.20	4	77.20	4	77.20	1	7.96	393.96
National Housing Bank	3.90%	3	5.56	4	7.41	4	7.41	4	7.41	4	7.41	6	11.11	46.31
		91.00	**1,037.78**	**79.19**	**1,052.77**	**72.00**	**920.15**	**71.00**	**899.35**	**62.00**	**784.77**	**39.00**	**342.41**	**5,037.20**
EIR Adjustment			**-7.57**		**-7.68**		**-6.71**		**-6.56**		**-5.73**		**-2.50**	**(36.75)**
TOTAL														**5,000.45**

13.2 Terms of repayment of long term borrowings (Other Than Debt Securities) outstanding as at March 31, 2022

Original maturity of loan	Interest (%)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total Amt.
		No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	No. of install-ments	Amt.	
Monthy repayment schedule														
Development Credit Bank	8.92%	12	15.38	12	15.38	5	5.08	-	-	-	-	-	-	35.84
Quarterly repayment schedule														
State Bank of India	7.50%	4	31.14	3	22.39	-	-	-	-	-	-	-	-	53.53
State Bank of India	7.50%	4	74.07	4	74.07	4	74.07	4	74.07	4	74.07	4	74.07	444.42
South indian Bank	8.28%	4	18.30	4	15.13	-	-	-	-	-	-	-	-	33.43
National Housing Bank	6.30%	4	160.00	4	160.00	4	127.79	-	-	-	-	-	-	447.79
National Housing Bank	6.40%	4	77.20	4	77.20	4	77.20	4	77.20	4	77.20	14	126.79	512.79
		32	**376.09**	**31**	**364.17**	**17**	**284.14**	**8**	**151.27**	**8**	**151.27**	**18**	**200.86**	**1,527.82**
EIR Adjustment														(8.80)
TOTAL														**1,519.02**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

14 Other financial liabilities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefit payable	35.95	1.17
Payable to insurance companies	35.00	-
Payable towards collection in derecognised assets	11.57	-
Loan pending disbursement	713.57	401.08
Refundable to borrowers	2.49	3.62
Advance from borrowers	5.41	3.87
Other financial liabities	19.38	7.74
Total	**823.37**	**417.48**

15 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave availment	18.60	17.22
Gratuity	11.67	10.75
ECL on undisbursed loan commitment	0.90	3.49
Total	**31.17**	**31.46**

15.1 Undisbursed Loan Commitment

An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

15.1.1 Analysis of risk categorisation

Particulars	March 31, 2023			
	Individual Housing & Non Housing			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	1,213.40	1.75	-	1,215.15
Less: Impairment Loss Allowance *	0.58	0.32	-	0.91
Net Carrying Amount	**1,212.81**	**1.43**	**-**	**1,214.24**

Particulars	March 31, 2022			
	Individual Housing & Non Housing			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	807.75	0.61	-	808.36
Less: Impairment Loss Allowance *	3.48	0.01	-	3.49
Net Carrying Amount	**804.27**	**0.60**	**-**	**804.87**

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

15 Provisions (Contd..)

15.1.1.2. Reconciliation of gross carrying amount is as follows:

Particulars	March 31, 2023			
	Individual Housing & Non Housing			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2022	807.75	0.61	-	808.36
New asset originated or purchased	1,103.70	0.26	-	1,103.96
Assets derecognised or repaid (excluding write offs)	(695.85)	(1.32)	-	(697.17)
Transfer from Stage 1	(2.20)	2.20		-
Transfer from Stage 2	-	-		-
Transfer from Stage 3	-	-	-	-
Gross carrying amount as at March 31, 2023	**1213.40**	**1.75**	**-**	**1,215.15**

Particulars	March 31, 2022			
	Individual Housing & Non Housing			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 01, 2021	689.12	-	-	689.12
New asset originated or purchased	807.75	-	-	807.75
Assets derecognised or repaid (excluding write offs)	(688.51)	-	-	(688.51)
Transfer from Stage 1	(0.61)	0.61	-	
Transfer from Stage 2		-	-	
Transfer from Stage 3	-	-	-	
Gross carrying amount as at March 31, 2022	**807.75**	**0.61**	**-**	**808.36**

15.1.1.3 Impairment allowance for Loan Commitments

Particulars	March 31, 2023			
	Individual Housing & Non Housing			
	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loan commitments as at April 01, 2022	3.48	0.01	-	3.49
ECL remeasurement due to changes in Loan Commitments/ Credit Risk/ Assumptions (Net)	-2.89	0.30	-	-2.59
Transfer from Stage 1	-0.01	0.01	-	-
Transfer from Stage 2	0.00	-0.00	-	-
Transfer from Stage 3	-	-	-	-
Impairment allowance for loan commitments as at March 31, 2023	**0.58**	**0.32**	**-**	**0.90**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

15 Provisions (Contd..)

Particulars	March 31, 2022			
	Individual Housing & Non Housing			
	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loan commitments as at April 01, 2021	1.08	-	-	1.08
ECL remeasurement due to changes in Loan Commitments/ Credit Risk/ Assumptions (Net)	2.41	0.00	-	2.42
Transfer from Stage 1	-0.01	0.01	-	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2022	**3.48**	**0.01**	**-**	**3.49**

16 Income tax

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

Recorded in Statement of Profit & Loss Account	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax:		
Current income tax charge		
a) Pertaining to profit for the current period	121.25	82.78
b) Adjustment of tax relating to earlier periods	0.18	-
Deferred tax:		
Relating to the origination and reversal of temporary differences	(3.06)	(18.10)
Income tax expense reported in the statement of profit or loss	**118.37**	**64.68**
Other Comprehensive Income		
Relating to origination and reversal of temporary differences:		
	0.39	0.34
Income tax expense reported in other comprehensive section	**0.39**	**0.34**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax from continuing operations	473.43	256.87
Tax at statutory income tax rate of @ 25.17% (Previous year 25.17%)	119.16	64.65
Expenditure disallowed	4.39	4.72
Impact of tax deduction u/s 36(1)(viii) of Income Tax Act 1961	(2.74)	(4.35)
Tax for earlier years	(2.44)	-
Total Tax expense reported in statement of profit & loss (effective tax rate of 25.17%, Previous year 25.07%)	118.37	65.02
Tax on other comprehensive income	0.39	0.34

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

16 Tax Expenses (Contd..)

Deferred Tax liabilities / (assets)	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
Unrealized gain on mutual fund	-	(6.11)
EIS receivables	(10.66)	-
Gross deferred tax liability	**(10.66)**	**(6.11)**
Deferred tax asset		
Expected credit loss (ECL)	13.98	10.33
Unamortized Fee/DSA/ Incentive Impact on loans	0.80	(1.40)
Provision for employee benefits	7.62	7.04
Property,plant and equipment	6.09	5.02
Other adjustments	0.34	0.62
Gross deferred tax asset	**28.83**	**21.61**
Net Deferred Tax Asset/(Liability)	**18.17**	**15.50**

17 Other Non-financial Liabitilies

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues Payable	15.67	11.43
Provision for Expenses	33.27	19.31
Total	**48.94**	**30.74**

18 Share Capital

Authorised Share Capital

	Equity Shares		Preference Shares	
	No. in Mn	Amount	No. in Mn	Amount
At 1 April 2021	**8,600**	**86,000**	**1,400**	**14,000**
Increase during the year	-	-	-	-
At 31 March 2022	**8,600**	**86,000**	**1,400**	**14,000**
Increase during the year	-	-	-	-
At 31 March 2023	**8,600**	**86,000**	**1,400**	**14,000**

Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 10 per share (previous year ₹ 10 per share). Each holder of equity share is entitled to one vote per share in proportion of the share of the paid-up capital of the Company held by the shareholder. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all liabilities of the Company, in proportion to their shareholdings.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

18.1 Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No. in Mn	Amount
At 1 April 2021	**484.53**	**4,845.34**
Add: shares issued during the year	0.09	0.93
At 31 March 2022	**484.62**	**4,846.27**
Add: shares issued during the year	-	-
At 31 March 2023	**484.62**	**4,846.27**

Equity shares of INR 10 each partly called-up and paid-up

	No. in Mn	Amount
At 1 April 2021	**49.49**	**13.71**
Add: shares issued during the year	-	-
At 31 March 2022	49.49	13.71
Add: shares issued during the year	-	-
At 31 March 2023	**49.49**	**13.71**

18.2 Shares held by holding Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
DMI Limited	46,04,42,315	94.74%	46,04,42,315	94.74%
Total	**46,04,42,315**	**94.74%**	**46,04,42,315**	**94.74%**

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

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity shares of ₹ 10 each fully paid				
DMI Limited	46,04,42,315	94.74%	46,04,42,315	94.74%
Total	**46,04,42,315**	**94.74%**	**46,04,42,315**	**94.74%**

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

18.4 Shareholding of promoter in the company(Equity)

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of shareholding	% Change during the year	No. of shares	% of shareholding	% Change during the year
DMI Limited	46,04,42,315	94.74%	-	46,04,42,315	94.74%	-

18.5 For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 28

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

19 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Other Equity		
Share Premium Reserve [1]		
Balance as at April 01, 2022	480.28	478.48
Add : Premium on issue of equity shares	-	1.80
	480.28	**480.28**
Share Warrant Premium [2]		
Balance as at April 01, 2022	14.76	5.00
Add : Issue of Share Warrants	18.18	9.76
	32.94	**14.76**
Reserve U/s 29C of the NHB Act 1987 [3]		
Balance as at April 01, 2022	152.62	114.18
Add : Amount transferred from surplus of Profit and Loss	71.01	38.44
Balance at the end of the year	**223.63**	**152.62**
Share Based Payments Reserve [4]		
Balance as at April 01, 2022	35.62	21.84
Fair Value of Stock Option-Charge for the year	25.40	13.78
Balance at the end of the year	**61.02**	**35.62**
Retained earnings [5]		
Balance as at April 01, 2022	531.11	376.34
Add : Profit for the year	355.06	192.19
Add : Other comprehensive income	1.15	1.02
Less : Transferred to statutory reserves	(71.01)	(38.44)
	816.31	**531.11**
Total Other Equity	**1,614.18**	**1,214.39**

(1) Share Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with section 52 of the Companies Act, 2013.

(2) The company has issued share warrants for ₹ 18.18 Mn during the year March 31,2023 and March 31,2022 for ₹ 9.76 Mn. Each warrant will be convertible into one equity share which can be exercised within Warrant Exercise Period as approved by the Board.

(3) Section 29C of The National Housing Bank Act, 1987 stipulates that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared.Thus, during the year ended 31 March 2023 and 31 March 2022, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

(4) Share based payment reserve - The share based payment reserve is used to recognise grant date fair value of options issued to employees under the Company's stock option schemes.

(5) Retained earnings - Retained earnings represents the amount of accumulated earnings of the Company.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

20 Interest income

Particulars	Year ended March 31, 2023 On financial assets measured at Amortised cost	Year ended March 31, 2022 On financial assets measured at Amortised cost
Interest income on Loans	1,278.49	999.68
Interest income on debt securities	1.45	7.80
Interest income on asset backed securities	34.08	-
Interest income on deposits with Banks	14.53	11.60
Total	**1,328.55**	**1,019.08**

21 Fees and commission Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other fee income	47.23	21.06
Commitment fee	38.41	30.32
	85.64	**51.38**
Geographical markets		
In India	85.64	51.38
Outside India	-	-
Total revenue from contracts with customers	**85.64**	**51.38**
Timing fo revenue recognition		
Services transferred at a point in time	85.64	51.38
Services transferred over time	-	-
Total revenue from contracts with customers	**85.64**	**51.38**

22 Net gain/(loss) on fair value changes

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
i) On trading portfolio		
investment in units of mutual funds	84.91	113.02
	84.91	**113.02**
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
Fair value changes		
Realised	109.24	155.15
Unrealised	(24.33)	(42.13)
Total Net gain on fair value changes	**84.91**	**113.02**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

23 Finance Costs

Particulars	Year ended March 31, 2023 On financial liabilities measured at Amortised cost	Year ended March 31, 2022 On financial liabilities measured at Amortised cost
Interest on borrowings :-		
Redeemable non- convertible debentures	294.94	294.76
Term loans		
- from National housing Bank	64.04	71.15
- from banks	92.55	53.34
Working Capital Demand loan with scheduled banks	0.40	1.59
Interest expense on lease liability	1.50	1.89
Other borrowing cost	5.05	6.71
Total	**458.48**	**429.44**

24 Impairment on financial instruments

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial instruments measured at Amortised cost		
Investments	(0.14)	(0.88)
Loan Assets	10.89	30.52
Assets held for sale	(0.08)	0.02
Loans Writen off	14.57	1.18
Loan commitments (refer note 15.1)	(2.59)	2.42
Total	**22.65**	**33.26**

25 Employee Benefits Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	349.54	263.54
Contribution to provident and other funds	10.18	8.02
Share Based Payments to employees	13.21	11.95
Staff welfare expenses	23.66	13.16
Total	**396.59**	**296.67**

Retirement Benefit Plan

A. Defined Contribution Plan

The company has a defined provident fund plan for every employee. Company contributes 12% of the basic salary to the fund each month. The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status for the respective plan.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to recognized provident fund	9.42	7.26

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

25 Employee Benefits Expenses (Contd..)

B. Defined Benefit Plan

Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by the Payment of Gratuity Act, 1972 as amended from time to time.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	3.83	3.34
Interest cost	0.77	0.62
Paid during the year	(2.14)	(1.02)
Net expense	**2.46**	**2.94**

Remeasurement (gains)/ loss recognised in other comprehensive income:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(1.54)	(1.36)
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	-	-
Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions	-	-
Remeasurement (gain) / loss arising during the year	**(1.54)**	**(1.36)**

Balance Sheet

Net defined benefit liability

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of defined benefit obligation	11.67	10.75
Fair value of plan assets	-	-
Plan liability	**11.67**	**10.75**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	10.75	9.17
Current service cost	3.83	3.34
Interest cost	0.77	0.62
Benefits paid during the year	(2.14)	(1.02)
Remeasurement (gain)/loss on obligation	(1.54)	(1.36)
Closing defined benefit obligation	**11.67**	**10.75**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

25 Employee Benefits Expenses (Contd..)

C. Compensated Absence :

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future periods. Amount recognised in the Statement of profit and loss for compensated absences is as under-

Compensated absence expense recognized in the Profit & Loss Statement

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	8.03	6.46
Interest cost	1.24	1.08
Net remeasurement (gain) / loss recognized in the year	0.15	(0.91)
Adjustment of Opening SL Liability	-	(2.89)
Net expense	**9.42**	**3.74**

Balance Sheet

Net defined benefit liability

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of defined benefit obligation	18.60	17.22
Fair value of plan assets	-	-
Plan liability	**18.60**	**17.22**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	17.22	15.93
Current service cost	8.03	6.46
Interest cost	1.24	1.08
Benefits paid during the year	(8.04)	(5.34)
Remeasurement (gain)/loss on obligation	0.15	(0.91)
Closing defined benefit obligation	**18.60**	**17.22**

Employee can encash unutilised earned leave only at the time of separation from the Company. Accumulation of earned leave days can not exceed 45 days at any time during the employee service. The company has provided for earned & sick leaves as present value obligation of the benefit at related current service cost measured using the projected unit cost method on the basis of acturial valuation. Provision for leave availment at 31st March 2023 is ₹ 18.60 mn (31st March 2022 is Rs 17.22mn)

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

26 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Legal and professional fees	43.05	39.2
Auditor remuneration (refer note 26(a) below)	1.06	0.99
Goods & Service tax written off	19.68	15.60
Subscription and license fees	19.90	15.33
CSR Expense	6.13	4.56
Business promotion	1.28	1.95
Repairs and maintenance	4.34	3.46
Travelling expenses	19.35	8.86
Electricity expense	3.64	2.65
Office running and maintenance expenses	17.29	14.29
Communication expense	11.72	7.43
Rent	8.00	6.20
Printing and stationery	5.99	3.95
Manpower management cost	3.22	16.60
Others	1.19	2.51
Total	**165.84**	**143.55**

26(a) Auditor's remuneration

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
For statutory audit	0.45	0.45
For tax audit	0.05	0.05
	0.50	**0.50**

26(b) Details of Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Company for respective financial year	6.13	4.56
b) amount of expenditure incurred	6.13	4.56
c) shortfall at the end of the year	-	-
d) total of previous years shortfall	-	-
e) reason for shortfall	-	-
f) nature of CSR activities	-	-
g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

26 Other expenses (Contd..)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):		
a) abolishing poverty, malnourishment and hunger, improvising health care which includes preventive health care and sanitation and making available safe drinking water.	2.00	1.06
b) improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.	1.63	-
c) Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga	-	-
d) Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	2.00	1.50
e) Disaster management, including relief, rehabilitation and reconstruction activities.	-	2.00
f) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	0.50	-

27 Earning Per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Following reflects the net profit and weighted average equity shares data used in EPS computation:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (in Nos.)	534.12	534.02
Net profit for calculation of basic EPS (in ₹)	355.06	192.19
Basic earning per share (In ₹)	**0.66**	**0.36**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Nos.)	540.21	538.54
Net profit for calculation of Diluted EPS (in ₹)	355.06	192.19
Diluted earning per share (In ₹)	**0.66**	**0.36**
Reconciliation of Weighted average number of shares outstanding		
Weighted average number of equity shares of computation of Basic EPS	534.12	534.02
Add : Dilutive potential equity shares	6.09	4.52
Weighted average number of equity shares of computation of Diluted EPS	**540.21**	**538.54**
Nominal value of equity shares (In ₹)	**10.00**	**10.00**

Basic earning per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

28. Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for the Group employees - DMI HFC ESOP PLAN 2021 ("Plan"). Details of all grants in operation during the year ended March 31, 2023 are as given below:

Scheme Name	DMI HFC ESOP Plan 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan 2019	DMI HFC ESOP Plan Manage-mant	DMI HFC ESOP Plan Manage-mant	DMI HFC ESOP Plan 2020	DMI HFC Employ-ment Contract 2020	Founder Circle Award 2019-20 (HFC Apr'20)	DMI HFC ESOP Plan 2021	DMI HFC ESOP Plan 2021-II	DMI HFC Employ-ment Contract Jan22 - I	DMI HFC Employ-ment Contract Jan22 - II	DMI HFC Employ-ment Contract Jan22 - III	DMI Housing Finance ESOP Plan 2022	Employ-ment Contract - Jul'22 - II	Employ-ment Contract - Mar'23
Date of grant	18-Mar-18	01-Apr-18	01-Apr-19	01-Oct-18	01-Oct-18	09-Apr-20	09-Nov-20	01-Apr-20	01-Apr-21	01-Jul-21	10-Nov-21	16-Dec-21	20-Dec-21	1-Apr-22	8-Jul-22	1-Mar-23
Date of Board / Compensation Committee approval	16-Mar-18	01-Apr-18	11-Sep-19	01-Oct-18	01-Oct-18	09-Apr-20	09-Apr-20	01-Apr-20	29-Jun-21	29-Jun-21	29-Jun-21	29-Jun-21	29-Jun-21	09-May-22	09-May-22	
Number of Options granted	3,49,316	8,25,358	17,19,445	14,08,451	12,25,353	6,38,907	-	1,80,000	1,34,889	2,50,000	40,000	15,000	15,000	7,65,559	40,000	51,000
Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Graded vesting period*	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below
First vesting date	18-Mar-19	01-Apr-19	01-Apr-20	01-Oct-19	01-Oct-19	01-Apr-21	09-Nov-21	01-Apr-21	01-Apr-22	01-Jul-24	10-Nov-24	16-Dec-24	20-Dec-24	01-Apr-23	08-Jul-25	01-Mar-26
Exercise period **	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years
Vesting conditions	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan	As per Plan
Exercise price per option	10.68	10.72	10.94	10.72	10.80	29.61	28.30	29.61	29.10	29.00	32.00	32.00	32.00	32.30	32.72	33.57
Stock price on the date of grant	10.68	10.72	10.94	10.72	10.80	11.24	11.35	11.24	10.51	11.33	10.44	10.44	10.44	32.00	32.00	33.57

Graded vesting period*

*1. As per the vesting schedule 30%, 30% & 40% Options will vest on completion of one year, two years and three years from the grant date respectively applicable only for DMI HFC ESOP Plan 2021 and DMI HFC ESOP Plan 2021-II.

*2. For Schemes Employment Contract - Jul'22 - II,DMI HFC Employment Contract Jan22 - I,DMI HFC Employment Contract Jan22 - II,DMI HFC Employment Contract Jan22 - III,Employment Contract - Mar'23 options will vest on completion of three years from the grant dates respectively.

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 sixth anniversary of option Grant Date.

Notes to the Financial Statements
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(All Amount in ₹ In millions, unless otherwise stated)

II. Reconciliation of options

31-MAR-2023	DMI HFC ESOP Plan 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan 2019	DMI HFC ESOP Plan Manage-mant	DMI HFC ESOP Plan Manage-mant	DMI HFC ESOP Plan 2020	DMI HFC Employ-ment Contract 2020	Founder Circle Award 2019-20 (HFC Apr'20)	DMI HFC ESOP Plan 2021	DMI HFC ESOP Plan 2021-II	DMI HFC Employ-ment Contract Jan22 - I	DMI HFC Employ-ment Contract Jan22 - II	DMI HFC Employ-ment Contract Jan22 - III	DMI Housing Finance ESOP Plan 2022	Employ-ment Contract - Jul'22 - II	Employ-ment Contract - Mar'23
Options outstanding at the beginning of the year	3,49,316	8,25,358	18,00,573	14,08,451	12,25,353	9,51,690	18,467	1,80,000	2,55,212	2,50,000	40,000	15,000	15,000	-	-	-
Granted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	7,65,559	40,000	51,000
Exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	81,128	-	-	3,12,783	18,467	-	1,20,323	-	-	-	-	-	-	-
Outstanding at the end of the year	3,49,316	8,25,358	17,19,445	14,08,451	12,25,353	6,38,907	-	1,80,000	1,34,889	2,50,000	40,000	15,000	15,000	7,65,559	40,000	51,000
Weighted average remaining contractual life (in years)	1	1	2	2	2	3	-	3	4	4	5	5	5	5	5	6

31-MAR-2022	DMI HFC ESOP Plan 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan 2019	DMI HFC ESOP Plan Managemant	DMI HFC ESOP Plan Managemant	DMI HFC ESOP Plan 2020	DMI HFC Employment 2020	Founder Circle Award 2019-20 (HFC Apr'20)	DMI HFC ESOP Plan 2021	DMI HFC ESOP Plan 2021-II	DMI HFC Employment Contract Jan22 - I	DMI HFC Employment Contract Jan22 - II	DMI HFC Employment Contract Jan22 - III
Options outstanding at the beginning of the year	3,49,316	8,25,358	18,00,573	14,08,451	12,25,353	9,51,690	18,467	1,80,000	-	-	-	-	-
Granted during the year	-	-	-	-	-	-	-	-	2,55,212	2,50,000	40,000	15,000	15,000
Exercised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	3,49,316	8,25,358	18,00,573	14,08,451	12,25,353	9,51,690	18,467	1,80,000	2,55,212	2,50,000	40,000	15,000	15,000
Weighted average remaining contractual life (in years)	1	1	2	2	2	3	4	3	4	4	5	5	5

1. Weighted Average remaining contractual life for share options outstanding as at March 31, 2023 was 2.26 years(Previous year 1.99 years).
2. Weighted Average fair value of options granted during the year was ₹ 13.35(Previous year 12.52).
3. Exercise prices for the options outstanding at the end of the year was ₹ 10.68 to ₹ 33.57 per option (Previous year ₹10.68 to ₹32 per option)

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

III. Computation of fair value

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

Scheme Name	DMI HFC ESOP Plan 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan 2019	DMI HFC ESOP Plan Manage-mant	DMI HFC ESOP Plan Manage-mant	DMI HFC ESOP Plan 2020	DMI HFC Employ-ment Contract 2020	Founder Circle Award 2019-20 (HFC Apr'20)	DMI HFC ESOP Plan 2021	DMI HFC ESOP Plan 2021-II	DMI HFC Employ-ment Contract Jan22 - I	DMI HFC Employ-ment Contract Jan22 - II	DMI HFC Employ-ment Contract Jan22 - III	DMI Housing Finance ESOP Plan 2022	Employ-ment Contract - Jul'22 - II	Employ-ment Contract - Mar'23
Stock price on the date of grant	10.68	10.72	10.94	10.72	10.93	11.24	11.35	11.24	28.30	29.30	29.30	29.30	29.30	32.00	32.00	33.57
Volatility	15%	15%	30%	15%	15%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Risk free Rate	6.00%	7.50%	7.35%	7.50%	7.50%	6.14%	6.14%	6.14%	6.14%	6.14%	6.60%	6.60%	6.60%	7.65%	7.65%	7.65%
Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Exercise Price	10.68	10.72	10.94	10.72	10.80	29.61	28.30	29.61	29.10	29.00	32.00	32.00	32.00	32.30	32.72	33.57
Option Fair Value	3.08	3.55	4.45	3.55	3.69	0.87	0.99	0.87	10.51	11.33	10.44	10.44	10.44	13.31	13.50	13.85

DMI Housing Finance Private Limited adopted various ESOP plans for employee retention and in recognition of employees contribution to overall performance of the Company.

Stock options expire 6 years from the date they are granted and vest over or after three year as per the schemes unless terminated sooner by the Board in accordance with the option Plan. The Option plan give recipients the right to receive shares of the company upon the lapse of their related restrictions. Restrictions on options, lapse in various increments and at various dates, beginning after one year from date of grant through grantee retirement.

The employees' compensation expense for Stock options during the year ended 31 March 2023 amounts to ₹7.30 Mn (previous year ₹ 11.95 Mn).

The company has amended its employee stock option plan during the year to amend its exercise period in respect of vested options from expiring on the 5th anniversary of the grant date to 6th anniversary of the grant date.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

29 Segment information

The Company's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.

30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no amounts other than those mentioned in note no. 11 that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2023 and March 31, 2022.

31 The Company does not have any pending litigation as on March 31, 2023 and March 31, 2022.

32 Contingent liabilities and commitments

There is no contingent Liabilities and Commitments as on March 31, 2023 and March 31, 2022.

Refer note 5 (ii) for undisbursed commitment relating to loans.

33 Related party disclosures

a. Names of related parties identified in accordance with IND AS -24 are given below :

1. Entities where control exists:	
Holding Company	DMI Limited
2. Directors	Mr. Gaurav Burman
	Mr. Shivashish Chatterjee
	Mr. Gurcharan Das
	Mr. Nipender Kochhar
	Mr. Yuvraja Chanakya Singh
	Mr. Alfred Victor Mendoza
3. Company Secretary	Ms.Shilpi Varshney (Resigned on June 30, 2022)
	Ms. Preeti Singh (From 15th September 2022)
4. Fellow subsidiaries	DMI Consumer Credit Private Limited
	DMI Finance Private Limited
5. Group Entity	DMI Alternatives Private Limited
	DMI Management Services Private Limited
	DMI Capital Private Limited
	Appnit Technologies Private Limited
6. Enterprises owned or significantly influenced by Management personnel or their relatives	K2VZ, Partnership Firm Quickwork Technologies Pvt Ltd

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

33 Related party disclosures (Contd..)

b. The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

Name of related party	Nature of transactions	March 31, 2023			March 31, 2022		
		Income	Expenditure	Outstanding balance	Income	Expenditure	Outstanding balance
DMI Finance Private Limited (DMIF)	Rent	-	3.96	-	-	3.96	-
	Inter company allocation	-	62.93	-	-	59.41	-
	Sale of investment	-	-	-	-	-	-
	Amount recoverable for stock option issued to DMIF employees	12.19	-	22.45	0.70	-	10.26
DMI Alternatives Private Limited (DMIA)	Amount recoverable for stock option issued to DMIA employees	0.00	-	0.26	0.02	-	0.26
Quickwork Technologies Pvt Ltd	Subscription and license fees	0.89	0.97	-	1.00	0.99	0.08
Shilpi Varshney	Remuneration	-	0.72	-	-	2.09	-
Preeti Singh	Remuneration	-	1.27	-	-	-	-
Nipender Kochhar	Director Sitting Fees	-	0.16	-	-	0.16	-
	Issue of warrants	-	-	1.04	0.12	-	1.04
Jayati Chatterjee	Issue of warrants	-	-	1.04	0.12	-	1.04
Gurcharan Das	Director Sitting Fees	-	0.08	-	-	-	-
	Issue of warrants	-	-	1.04	0.12	-	1.04
Bina Singh	Issue of warrants	-	-	1.04	0.12	-	1.04

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.The company has not granted any loans or advances to promoters, directors, KMPs and the related parties during the year ended 31st March 2023 and 31st March 2022

The company has not granted any loans or advances to promoters, directors, KMPs and the related parties during the year ended 31st March 2023 and 31st March 2022

34 Capital:

The company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, National Housing Board of India. The adequacy of the Company's capital is monitored using, among other measures the regulations issued by NHB.

(i) Capital management:

Objective

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

Planning

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

The Company endeavors to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

34 Capital (Contd..)

(ii) Regulatory Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Tier 1 CRAR	85.53%	86.46%
Tier 2 CRAR	0.06%	0.57%
Total CRAR	**85.59%**	**87.03%**

35 Financial risk management objectives and policies

The Company's Principal financial liabilities majorly comprise borrowings (including debt securities). The main purpose of these financial liabilities is to finance the company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

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

(A) Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required. The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also has lines of credit that it can access to meet liquidity needs.

The table below summarises the maturity profile of the undiscounted cash flows of the company financials liabilities as at 31 March 2023 and 31 March 2022:-

31-Mar-23	Upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial liabilities					
Trade Payables	7.07	-	-	-	7.07
Debt Securities	3,749.86	-	-	-	3,749.86
Borrowings (other than Debt Securities)	1,572.75	2,768.58	1,506.45	160.94	6,008.72
Lease Liabilies	6.04	6.23	2.61	-	14.88
Other financial liabilities	817.77	5.60	-	-	823.37

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

35 Financial risk management objectives and policies (Contd..)

31-Mar-22	Upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial liabilities					
Trade Payables	6.20	-	-	-	6.20
Debt Securities	294.58	3,749.86	-	-	4,044.44
Borrowings (other than Debt Securities)	403.85	819.17	376.32	242.51	1,841.85
Other financial liabilities	413.97	5.61	-	-	419.58

(B) Credit risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements and against its investments and credit substitute. Customer defaults and inadequate collateral may lead to higher credit impaired assets. Company address credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored and analyzed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.

The Company has designed all the policies as a rule book with clearly defined parameters to control the risk.

Exposure to credit risk

The carrying amount of financial assets measured at amortized cost represents the maximum credit exposure. The maximum exposure to credit risk is ₹11,452.01 Mn and ₹8619.70 Mn as of 31 March 2023 and 31st March 2022 respectively, being the total of carrying amount of loans assets,credit substitute and EIS receivables.

(C) Analysis of risk concentration

The Company's risk concentration is managed by Loan to value segaration. The following table shows the exposure from Housing and Non-Housing Loans by the customers, which is calculated as the ratio of sanctioned value of loans to the value of the collateral.

Loan to Value Bucket as at March 31,2023 :

LTV Bucket	Stage 1	Stage 2	Stage 3	Total
LTV<=40%	1,906.34	41.39	11.61	1,959.34
40-60	2,770.53	91.33	19.18	2,881.04
60-70	1,764.11	42.03	14.75	1,820.89
70-80	2,797.28	65.85	6.75	2,869.88
>80	1,819.01	47.24	11.97	1,878.23
TOTAL*	**11,057.27**	**287.84**	**64.27**	**11,409.38**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

35 Financial risk management objectives and policies (Contd..)

Loan to Value Bucket as at March 31,2022 :

LTV Bucket	Stage 1	Stage 2	Stage 3	Total
LTV<=40%	1,327.70	44.13	15.80	1,387.63
40-60	2,236.85	84.25	17.90	2,339.00
60-70	1,481.92	48.88	15.48	1,546.28
70-80	1,863.73	57.65	13.42	1,934.80
>80	1,352.53	38.77	20.69	1,411.99
TOTAL*	**8,262.73**	**273.67**	**83.29**	**8,619.70**

* Includes balances of credit substitutes

The following table shows the risk concentration by industry for the financial assets of the company, other than its loan portfolio:

31-Mar-23	Financial services	Real Estate	Others	Total
Financial asset				
Bank balances other than cash and cash equivalents	90.41	-	-	90.41
Cash and cash equivalents	3,007.41	-	-	3,007.41
Investments	1,276.33	-	-	1,276.33
Other financial assets	-	-	76.14	76.14

31-Mar-22	Financial services	Real Estate	Others	Total
Financial asset				
Bank balances other than cash and cash equivalents	80.68	-	-	80.68
Cash and cash equivalents	418.68	-	-	418.68
Investments	2,414.68	2,438.33	-	4,853.00
Other financial assets	-	-	24.34	24.34

(D) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, price risk and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

(E) Interest Rate Risk:-

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report metrically for assessment of interest rate risks.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

35 Financial risk management objectives and policies (Contd..)

Due to the very nature of housing finance, the company is exposed to moderate to higher Interest Rate Risk. This risk has a major impact on the balance sheet as well as the income statement of the company. Interest Rate Risk arises due to:

i) Changes in Regulatory or Market Conditions affecting the interest rates

ii) Short term volatility

iii) Prepayment risk translating into a reinvestment risk

iv) Real interest rate risk.

In short run, change in interest rate affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. It is essential for the company to not only quantify the interest rate risk but also to manage it proactively. The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and floating rate loans and borrowings. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

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

Particulars	Basis Points	Effect on Profit before tax As at March 2023	Effect on Profit before tax As at March 2022
Borrowings			
Increase in basis points	50	25.10	7.62
Decrease in basis points	50	(25.10)	(7.62)
Loans			
Increase in basis points	50	56.78	42.92
Decrease in basis points	50	(56.78)	(42.92)

36 Transfer of Financial Assets
Transfer of financial assets that are not derecognized in their entirely

Assignment Deal
During the year ended March 31, 2023 the company has sold some loans and advances measured at amortized cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been decognised from the company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the company business model remains to hold the assets for collecting contractual cashflows.

The table below summarises the carrying amount of the decongnised financial assets measured at amortized cost and the gain on decognition.

Particulars	March 31, 2023	March 31, 2022
Carrying amount of decongnised financial assets	380.76	-
Gain from derecognition	43.26	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

37 Ind AS 116 : Leases

Company as a lessee

The company has lease contracts for office spaces taken on lease. The lease terms are between 1 to 5 years.

The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

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

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	17.84	16.44
Additions made during the year	3.03	10.38
Depreciation charge for the year	(8.38)	(8.72)
Deletion made during the year	(1.10)	(0.26)
Balance at the end of the year	11.39	17.84

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

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	19.91	18.51
Additions made during the year	3.12	10.38
Interest accretion for the year	1.50	1.89
Payments made during the year	(10.53)	(10.55)
Deletion made during the year	(1.15)	(0.32)
Balance at the end of the year	12.85	19.91

The effective interest rate for lease liabilities is 9.5%

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2023	March 31, 2022
Depreciation expense in respect of right-to-use asset	8.38	8.72
Interest expense in respect of lease liabilities	1.50	1.89
Expense relating to short-term leases (included on other expenses)	8.00	6.20
Amount relating to equalization reserve	0.60	-0.00
Total amount recognized in profit or loss	18.48	16.81

The Company's total cash outflows for leases was ₹ 12.73 Mn during year ended March 31, 2023 (₹11.51 Mn during the year ended March 31, 2022).

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 Disclosures required by the Reserve Bank of India in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020- 21/73 DOR.FIN.HFC.CC.No.120/03 .10.136/2020-21, 17 February, 2021 (as amended from time to time) & Disclosure as required by Notification No. RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated April 19, 2022 by the Reserve Bank of India and as applicable to the Company.

1 Summary of accounting policy

The accounting policies regarding key areas of operations are disclosed as Note 3 to the Financial Statements.

DMI Housing Finance Private Limited is a Housing Finance Company registered with National Housing Bank with registration no 09.0102.12 dated September 20, 2012.

2 Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	85.59%	87.03%
CRAR - Tier I capital (%)	85.53%	86.46%
CRAR - Tier II capital (%)	0.06%	0.57%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual Debt instruments	-	-

3 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	15.26	11.42
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) **Total**	**15.26**	**11.42**
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	7.10	3.84
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	–	–
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	–	–
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	–	–
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	22.36	15.26
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	–	–
Total	**22.36**	**15.26**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

4 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investment		
(i) Gross Value of Investment		
a) In India	127.69	243.90
b) Outside India	-	-
(ii) Provision for Depreciation	-	-
a) In India	0.05	0.07
b) Outside India	-	-
(iii) Net Value of Investment		
a) In India	127.64	243.83
b) Outside India		
Movement of Provision held towards depreciation on Investment		
(i) **Opening Balance**	0.07	0.16
(ii) Add: Provisions made during the year		
(iii) Less: Write off/Write Back of Excess provision during the year	(0.01)	(0.09)
(iv) **Closing Balance**	**0.06**	**0.07**

5 Derivatives

The Company has not entered into derivative transaction during the year (March 2023 : Nil). Further, there is no Outstanding balance of derivative transaction (March 2023: Nil)

6 A. Securitization:

Particulars	As at March 31, 2023	As at March 31, 2022
Number of Special Purpose (SPV) sponsored for Securitisations transactions		
Total amount of Outstanding securitised assets as per books		
Total amount of exposures retained by Company to comply towards Minimum Retention Ration (MRR) as on date of balance sheet		
i) Off-balance sheet exposures towards Credit Enhancement	-	-
- First Loss		
- Others		
ii) On-balance sheet exposures towards Credit Enhancement	-	-
- First Loss- Cash collateral		
- Others- Over collateral		
Amount of exposures to securitizations transactions other than MRR		
i) Off-balance sheet exposures towards Credit Enhancement	-	-
- Exposure to own securitisations		
- Exposure to third party securitisations		
ii) On-balance sheet exposures towards Credit Enhancement	-	-
- Exposure to own securitisations		
- Exposure to third party securitisations		

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

B. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of Accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate Consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

C. Details of assignment transactions undertaken by the Company

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of Accounts	517.00	-
(ii) Aggregate value (net of provisions) of accounts assigned	39.37	-
(iii) Aggregate Consideration	39.37	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Additional consideration realized in respect of accounts transferred in earlier years	-	-

(d) Details of non-performing financial assets purchased / sold

(1) Details of non-performing financial assets purchased

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(i) Of these, number of accounts restructured during the year	-	-
(ii) Aggregate outstanding	-	-

(2) Details of non-performing financial assets sold

Particulars	As at March 31, 2023	As at March 31, 2022
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

7 Asset liability management (Maturity pattern of certain items of Assets and Liabilities)
Maturity pattern of certain items of assets and liabilities as on March 31, 2023

Particulars	1 day to 7 Days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	1.77		6.66	1.17	11.33	26.51	55.79	195.85	169.01	31.95	500.04
Market Borrowings *	-	-	-	2.02	0.24	-	346.58	-	-	-	348.83
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances**	8.37	1.05	1.05	10.58	10.70	32.80	68.91	325.56	423.06	256.90	1,138.97
Investments	-	-	5.01	4.17	0.29	0.89	1.87	8.59	10.73	96.08	127.63
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Market borrowings include NCDs raised by the company

** Advances includes housing and non housing loans net off provisions for credit impaired assets.

Maturity pattern of certain items of assets and liabilities as on March 31, 2022

Particulars	1 day to 7 Days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	0.32	-	1.95	0.13	1.26	9.27	18.54	67.73	30.80	21.90	151.90
Market Borrowings	-	-	-	2.37	-	-	-	346.56	-	-	348.93
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	
Assets											
Advances	4.18	2.79	7.93	2.25	2.28	6.99	14.56	66.54	78.97	666.04	852.53
Investments	241.47	0.00	0.00	0.99	1.37	-	-	-	-	-	243.83
Foreign Currency Assets	-	-	-	-	-	-	-		-	-	-

*Market borrowings include NCDs raised by the company

** Advances includes housing and non housing loans net off provisions for non performing assets.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

8 Exposure

a. Exposures to real estate sector

Category	As at March 31, 2023	As at March 31, 2022
(A) Direct exposure-		
i) Residential mortgages:		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,258.86	940.03
ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based (NFB) limits;	3.54	2.76
iii) Investments in mortgage backed securities (MBS) and other securitized exposures :		
(a) Residential	127.63	-
(b) Commercial real estate.	-	-
(B) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
Total Exposure to Real Estate Sector	**1,390.03**	**942.79**

b. Exposure to Capital Market

Particulars	As at March 31, 2023	As at March 31, 2022
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares/ bonds/ debentures or other securities or on clean basis to individials for investment in shares (including IPO/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
(iv) advances for any other purposes to the extent secured hy the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/ issues;	-	-
(Viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading		
(viii) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market		

It is clarified that the computation of exposure to the capital markets should be done by HFCs in accordance with the provisions of Paragraph 23.2.2 of these directions.

c. Sectoral Exposures

Below table summarises the sectoral exposures during the year ended March 31, 2023 and March 31, 2022

Sectors	As on March 31, 2023			As on March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and	-	-	-	-	-	-
2. Industry						
i Micro and Small	-	-	-	-	-	-
ii MEDIUM	-	-	-	-	-	-
ii Large	-	-	-	-	-	-
iv Others	-	-	-	0.01	0.01	100%
Total of Industry	-	-	-	0.01	0.01	100%
(i+ii+…+Others)	-	-	-	-	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

Sectors	As on March 31, 2023			As on March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
3. Services						
i. Transport Operators	-	-	-	-	-	-
ii Computer Software	-	-	-	-	-	-
iii Others	-	-	-	-	-	-
Total of Services	-	-	-	-	-	-
(i+ii+…+Others)	-	-	-	-	-	-
4. Personal Loans						
i Housing	1,027.02	4.64	0.45%	787.18	6.19	0.79%
ii Non-Housing	235.38	1.73	0.74%	153.18	2.08	1.36%
iii Corporate Loan	-	-	-	-	-	-
Total of Personal Loans (i+ii+iii)	**1,262.40**	**6.37**	**0.49%**	**940.36**	**8.27**	**0.88%**
5. Others, if any (please specify)	-	-	-	-	-	-

d. Details of financing of parent company products
There is no financing of parent company products.

e. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC
The company has not exceeded the Single Borrower Limit and Group Borrower Limit as prescribed by NHB.

f. Unsecured Advances
The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

g. Exposure to group companies engaged in real estate business

S. no	Description	Amount (In Crore)	% of Owned Fund
1	Exposure to any single entity in a group engaged in real estate business	Nil	Nil
2	Exposure to all entities in a group engaged in real estate business	Nil	Nil

9 Miscellaneous
9.1 Registration obtained from other Financial sector regulators
The Company has not obtained registeration from other Financial sector regulators

9.2 Disclosure of Penalties imposed by NHB/ RBI and other regulators
(i) there are no penalties imposed on the Company by NHB or other Regulators during the year ended March 31, 2023 and March 31,2022.

(ii) the Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public.

During the yeae ended March 31,2023 and March 31,2022.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

9.3 Percentage of outstanding loans against collateral of gold jewellery to their outstanding total assets-NIL

9.4 Related Party Transactions

Below table represents the related party transactions for the year ended March 31,2023 and March 31,2022

Nature of Transaction	Fellow Subsidiary		Enterprises owned or significantly influenced by Management personnel or their relatives		Key Management Personnel		Others		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Borrowing	-	-	-	-	-	-	-	-	-	-
Deposit	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advance	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Rent paid	-0.40	-0.40	-	-	-	-	-	-	-0.40	-0.40
Inter company allocation paid	-6.29	-5.94	-	-	-	-	-	-	-6.29	-5.94
Subscription and license fee paid	-	-	-0.10	-0.10	-	-	-	-	-0.10	-0.10
Subscription and license fee received	-	-	0.09	0.10	-	-	-	-	0.09	0.10
Amount recoverable for stock option issued to Fellow Subsidiary employees	1.22	0.07	-	-	-	-	-	-	1.22	0.07
Remuneration paid	-	-	-	-	-0.20	-0.21	-	-	-0.20	-0.21
Director sitting fee paid	-	-	-	-	-	-	-0.02	-0.02	-0.02	-0.02
Issue of warrants	-	-	-	-	-	-	-	-0.05	-	-0.05

9.5 Group Structure

DMI Limited (Mauritius) (Holding Company) [DMIL]

- DMI Finance Private Limited [DMIF] (DMIL Holds 79.16%)
  - DMI Management Services Private Limited (DMIF Holds 100%)
  - DMI Alternatives Private Limited (DMIF Holds 49%)
  - DMI Capital Private Limited (DMIF Holds 100%)
  - DMI Consumer Credit Private Limited (DMIL Holds 82.15% and DMIF Holds 7.85%)
  - Appnit Technologies Private Limited (DMIF holds 94.04%)
- **DMI Housing Finance Private Limited [DMIH] (DMIL Holds 94.74%)**

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

9.6 Ratings assigned by credit rating agencies and migration of ratings during the year:

	Name of Rating Agency	Limit	Type of Facility	Rating Changes: At the beginning of the year	Rating Changes: Change during the year	Date of Change	Remarks
(i) ratings assigned by credit rating agencies and migration of ratings during the year;	CARE Ratings	100.00	Long term Bank Facilities	CARE AA-; Stable;	No change	23rd March 2023	Rating reaffirmed
	Brickworks Ratings	400.00	Non-Convertible Debentures	BWR AA-(CE) / Stable	BWR AA-(CE) / Stable (Reaffirmed)	6th April 2022	Rating reaffirmed
	Brickworks Ratings	44.41	Fund-based Bank Loan Facilities	BWR AA-(CE) / Stable	BWR AA-(CE) / Stable (withdrawn)	6th April 2022	Rating withdrawn
	ICRA Ratings	650.00	Fund based bank facilities	[ICRA]AA-(Stable);	No change	24th February 2023	Rating Assigned of Rs 300 Cr during the Year; rating reaffirmed
	ICRA Ratings	400.00	Non-Convertible Debentures	[ICRA]AA-(Stable);	No change	24th February 2023	Rating reaffirmed
(ii) information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries	DMI Housing Finance is incorporated in INDIA and operates through its branch network spread across various states in India. The company has not entered into any joint venture and the company does not have any overseas subsidiary.						

10 Additional Disclosures

10.1 Provisions and Contingencies

Breakup of 'Provision & Contingencies' shown under the head Expenditure in Profit & Loss Account	As at March 31, 2023	As at March 31, 2022
1. Provision for Depreciation on Investment	(0.01)	(0.09)
2. Provision made towards Income Tax	12.14	8.28
3. Provision made towards deferred tax	(0.31)	(1.81)
4. Provision towards NPA (towards stage III)	(1.02)	1.64
5. Provision for Standard Assets (towards stage I and stage II)	2.17	1.31
6. Other Provisions and contigencies		
- Provision for employment benefits	0.38	0.67
- Provision for undrawn commitments	(0.26)	0.24
- Provision for assets held for sale	(0.08)	0.02

10.2

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount (refer note 1)	917.48	704.95	217.04	148.69
b) Provisions made	5.24	3.18	0.90	0.90
Sub-Standard Assets				
a) Total Outstanding Amount (refer note 1)	2.25	4.09	1.07	1.55
b) Provisions made	0.68	1.43	0.32	0.55

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

Break up of Loan & Advances and Provisions thereon		Housing		Non-Housing	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Doubtful Assets - Category - I					
a)	Total Outstanding Amount (refer note 1)	0.97	1.65	0.35	0.50
b)	Provisions made	0.29	0.58	0.10	0.17
Doubtful Assets - Category - II					
a)	Total Outstanding Amount (refer note 1)	1.09	0.34	0.18	0.08
b)	Provisions made	0.33	0.12	0.05	0.09
Doubtful Assets - Category - III					
a)	Total Outstanding Amount (refer note 1)	0.33	0.11	0.18	0.01
b)	Provisions made	0.10	0.04	0.09	0.00
Loss Assets					
a)	Total Outstanding Amount (refer note 1)	-	-	-	-
b)	Provisions made	-	-	-	-
TOTAL					
a)	**Total Outstanding Amount**	**922.12**	**711.14**	**218.82**	**150.83**
b)	**Provisions made**	**6.64**	**5.35**	**1.46**	**1.72**

Note:

a) The Total Outstanding amount represents Gross EAD amount.

b) The category of Doubtful Assets will be as under:

Period for which the assets has been considered Doubtful	Category
Upto one year:	Category - I
One to three years:	Category - II
More than three years :	Category - III

10.3 Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2023(2022-Nil).

10.4 Concentration of Advances , Exposures and NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Concentration of Public Deposits	-	-
Concentration of Loans & Advances		
Gross of impairment loss allowance	12.06	11.25
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	1.06%	1.19%
Concentration of all Exposures (including off-balance sheet exposure)	-	-
Gross of impairment loss allowance	12.67	11.25

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
(%) of Exposures to twenty largest borrowers/Customers to Total Exposures of the HFC on borrowers/customers	1.00%	1.19%
Concentration of NPAs		-
Total Exposures to top ten NPA accounts	1.76	2.01

10.5 Sector wise NPA

Sector	% of NPAs to total Advances in that sector	
	As at March 31, 2023	As at March 31, 2022
A. Housing Loans:		
1 Individuals	0.50%	0.87%
2 Builders/Project Loans	0.00%	0.00%
3 Corporates	0.00%	0.00%
4 Others (specify)	0.00%	0.00%
B. Non Housing Loans:		
1 Individuals	0.79%	1.40%
2 Builders/Project Loans	0.00%	0.00%
3 Corporates	0.00%	2.79%
4 Others (specify)	0.00%	0.00%

10.6 Movement of NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Net NPAs to Net Advances (%)	0.39%	0.62%
(II) Movement of NPAs (Gross)		
a) Opening Balance	8.33	3.88
b) Additions during the year	4.30	5.35
c) Reductions during the year	(6.20)	-0.90
d) Closing Balance	6.43	8.33
(III) Movement of Net NPAs		
a) Opening Balance	5.34	2.53
b) Additions during the year	4.26	3.61
c) (Reductions)/Additions during the year	(5.14)	-0.80
d) Closing Balance	4.46	5.34
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	2.99	1.35
b) Provisions made during the year	0.04	1.74
c) Write-off/Write-Back of excess provisions	(1.06)	-0.10
d) Closing Balance	1.97	2.99

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

10.7 Overseas Assets

Particulars	As at March 31, 2023	As at March 31, 2022
NIL		

The company does not have any overseas assets

10.8 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.

10.9 Customers Complaints

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

a) complaints received by the company from customers

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	138	146
3	Number of complaints disposed during the year	135	146
3.1	Of which, number of complaints rejected by the company	0	7
4	Number of complaints pending at the end of the year	3	0

b) complaints received by the company from Office of Ombudsman

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Number of maintainable complaints received by the NBFC from Office of Ombudsman	Not Applicable	Not Applicable
1.1	Of 1, number of complaints resolved in favour of the NBFC by Office of Ombudsman	Not Applicable	Not Applicable
1.2	Of 1, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	Not Applicable	Not Applicable
1.3	Of 1, number of complaints resolved after passing of Awards by Office of Ombudsman against the company	Not Applicable	Not Applicable
2	Number of Awards unimplemented within the stipulated time (other than those appealed)	Not Applicable	Not Applicable

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
March 31, 2023					
Foreclosure Related		46	44%	0	0
PMAY CLSS		28	-45%	0	0
Refund Related		27	-18%	1	0
Rate of Interest/ Disbursement Related		22	16%	0	0
Bureau Reporting Related		1	0%	0	0
Others		14	40%	2	0
Total		**138**		**3**	**0**
Out of the complaints received in CP Grams, 2 complaints did not pertain to DMI HFC & 1 Complaint did not pertain to any Housing Finance.					
March 31, 2022					
PMAY CLSS		51	24%	0	0
Refund Related		33	27%	0	0
Foreclosure Related		32	1500%	0	0
Rate of Interest/ Disbursement Related		19	-5%	0	0
Bureau Reporting Related		1	0%	0	0
Others		10	-60%	0	0
Total		**146**			

11 Net Profit or Loss for the year, prior items and changes in accounting policies

There are no prior period items that have impact on the current year's profit & loss.

12 Revenue Recognition

During the year,there have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

13 Public disclosure as required by RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 for Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 04, 2019 are given below:

13.1 Funding Concentration based on significant instrument/product

Name of the instrument/product	As on March 31, 2023		As at March 31, 2022	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Non Convertible Debentures	348.83	37.06%	348.97	63.23%
Term loans from bank	427.30	45.40%	152.78	27.68%
Term loans from National Housing Bank	**72.75**	**7.73%**	**1.99**	**0.36%**

* Total liabilities are excluding equity share capital and other equity

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

13.2 Funding Concentration based on significant counterparty

Particulars	As on March 31, 2023	As on March 31, 2022
i) Number of Significant Counterparties	12	3
ii) Amount (in ₹ crore)*	846.86	488.55
iii) Percentage of funding concentration to total deposits	NA	NA
iv) Percentage of funding concentration to total liabilities	89.97%	88.52%

*Represents contractual amount

13.3 Top 10 Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
	Amount*	Amount*
Top 10 borrowings	759.44	499.06
Top 10 borrowings [% of Total borrowings]	89.46%	100.00%

*Represents contractual amount

13.4 Top 20 Large Deposits

The Company is registered with National Housing Bank to carry on the business of housing finance institution without accepting public deposits. Hence, This is not applicable on us.

14 Stock Ratios

Particulars	As on March 31, 2023	As on March 31, 2022
Commercial Paper as % of total public funds	NA	NA
Commercial Paper as % of total liabilities	NA	NA
Commercial Paper as % of total assets	NA	NA
NCD (original maturity of less than 1 year) as % of total public funds	NA	NA
NCD (original maturity of less than 1 year) as % of total liabilities	NA	NA
NCD (original maturity of less than 1 year) as % of total assets	NA	NA
Other short term liabilities as % of total public funds	NA	NA
Other short term liabilities as % of total liabilities*	57.37%	16.04%
Other short term liabilities as % of total assets	33.99%	7.64%

* Total liabilities are excluding equity share capital and other equity.

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

15 Principal Business Criteria for HFCs

Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 (as amended from time to time) is given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Assets*	1,596.84	1,166.50
Less: Intangible Assets	4.61	1.75
Net Total Assets	1,592.19	1,164.75
Housing Finance**	922.12	716.38
Individual Housing Finance**	922.12	716.38
Percentage of Housing Finance to total Assets (Netted of Intangible Assets)	57.91%	61.50%
Percentage of Individual Housing Finance to total Assets (Netted of Intangible Assets)	57.91%	61.50%

* Total assets is gross of impairment loss allowance amounting to ₹8.05 crores (March 2022 7.01 crores)

** Represents carrying values

16 Consolidated Financial Statements(CFS)

The company does not have any subsidiary/joint venture/associates as on 31st March 2023 and 31st March 2022, hence requirement of Consolidated Financial Statements is not applicable.

17 There is no breach of covenant of loan availed or debt securities issued during the year ended March 31,2023 & March 31,2022.

18 There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended 31 March 2023 and 31 March 2022.

19 Intra group exposure

Particulars	As on March 31, 2023	As on March 31, 2022
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure of the Company on customers	-	-

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

20 Unhedged Foreign Currency

Foreign Currency Exposures as at March 31, 2023							
Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	> 1 Year	Total	</=1 Year	> 1 Year	Total	</=1 Year
FCY Receivables	0	0	0	0	0	0	0
Exports	0	0	0	0	0	0	0
Loans to JV/WOS	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0
FCY Payables	0	0	0	0	0	0	0
Imports	0	0	0	0	0	0	0
Trade Credits	0	0	0	0	0	0	0
ECBs	0	0	0	0	0	0	0
Other FCY loans	0	0	0	0	0	0	0
INR to USD swaps	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Foreign Currency Exposures as at March 31, 2022							
Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	> 1 Year	Total	</=1 Year	> 1 Year	Total	</=1 Year
FCY Receivables	0	0	0	0	0	0	0
Exports	0	0	0	0	0	0	0
Loans to JV/WOS	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0
FCY Payables	0	0	0	0	0	0	0
Imports	0	0	0	0	0	0	0
Trade Credits	0	0	0	0	0	0	0
ECBs	0	0	0	0	0	0	0
Other FCY loans	0	0	0	0	0	0	0
INR to USD swaps	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

Disclosure as required by Annex III of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

21 Schedule to the Balance Sheet of an HFC

Liabilities side

S. No		Particulars	Amount Outstanding	Amount Overdue
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
	a	Debentures : Secured	348.83	
		Debentures : Unsecured	-	
		(other than falling within the meaning of public deposits*)		
	b	Deferred Credits		
	c	Term Loans	500.04	
	d	Inter corporate loans and borrowings		
	e	Commercial Paper		
	f	Public Deposit		
	g	Other loans	-	
2		**Break up of Outstanding public deposits inclusive of interest accrued thereon but not paid**		
	a	In the form of Unsecured debentures		
	b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	c	Other public deposits		

S. No		Particulars	Amount Outstanding
Assets Side			
3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**	
	a	Secured	1,140.88
	b	Unsecured	-
	c	Other public deposits	-
4		**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**	
(i)		Lease assets including lease rentals under sundry debtors	
	a	Financial lease	
	b	Operating lease	
(ii)		Stock on hire including hire charges under sundry debtors	
	a	Assets on hire	
	b	Repossessed Assets	

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

(iii)	Other loans counting towards asset financing activities		
	a	Loans where assets have been repossessed	
	b	Loans other than (a) above	
5	**Break-up of Investments**		
	Current Investments		
	1	Quoted	
	(i)	Shares	-
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	
	(v)	Others (Please specify)	-
	2	**Unqouted**	
	(i)	Shares	
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	
	(v)	Others (Please specify) - Commercial Paper	
	Long Term Investments		
	1	Quoted	
	(i)	Shares	
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others (Please specify)	-
	2	**Unqouted**	
	(i)	Shares	-
		(A) Equity	-
		(B) Preference	-
	(ii)	Debentures and Bonds	0.05
	(iii)	Units of Mutual Funds	-
	(iv)	Government Securities	-
	(v)	Others- Investment in asset backed securities	127.63

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

Category		Amount net of provision		
		Secured	Unsecured	Total
6	**Borrower group-wise classification of assets financed as in (3) and (4) above:**			
	a. Subsidiaries	-	-	-
	b. Companies in the same group	-	-	-
	c. other related parties	–	–	–
	Other than related parties	1,132.84		
	Total		–	

Category			Market Value	Book value (net of provisions)
7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**			
	a.	Subsidiaries	-	-
	b.	Companies in the same group	-	-
	c.	other related parties	-	-
		Other than related parties	127.69	127.63
		Total	**127.69**	**127.63**
8	**Other information**			
		Particulars		**Amount**
	Gross Non Performing Assets			
	a.	Related parties		-
	b.	Other than related parties		6.43
	Net Non Performing Assets			
	a.	Related parties		-
	b.	Other than related parties		4.46

22 A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

(Amount in ₹ crores)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3+4	6	7=4-6
Performing Assets						
Standard	Stage1	1,105.73	0.43	1,105.30	3.13	(2.70)
	Stage2	28.78	5.71	23.07	2.12	3.59
Subtotal		**1,134.51**	**6.14**	**1,128.37**	**5.25**	**0.89**

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

38 (Contd..)

(Amount in ₹ crores)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3+4	6	7=4-6
Non-Performing Assets (NPA)						
Substandard	Stage3	3.32	1.00	2.32	0.50	0.50
Doubtful - up to 1 year	Stage3	1.32	0.39	0.93	0.34	0.05
1 to 3 years	Stage3	1.27	0.38	0.89	0.60	(0.22)
More than 3 years	Stage3	0.52	0.20	0.32	0.52	(0.32)
Subtotal for doubtful		**3.11**	**0.97**	**2.14**	**1.45**	**(0.49)**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA		**6.43**	**1.97**	**4.46**	**1.95**	**0.00**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage1	125.60	0.06	125.54	-	0.06
	Stage2	0.17	0.03	0.14	-	0.03
	Stage3			-		
Subtotal		**125.78**	**0.09**	**125.69**	**-**	**0.09**
Total	Stage1	1,231.33	0.49	1,230.84	3.13	(2.64)
	Stage2	28.95	5.74	23.21	2.12	3.62
	Stage3	6.43	1.97	4.46	1.95	0.00
Total	**Total**	**1,266.72**	**8.19**	**1,258.51**	**7.20**	**0.98**

23 Disclosure as required by RBI DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021

S.No.	Particulars	As on March 31, 2023	As on March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures • First loss • Others	-	-
	b) On-balance sheet exposures • First loss • Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In crores, unless otherwise stated)

S.No.	Particulars	As on March 31, 2023	As on March 31, 2022
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	-	-
	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent	-	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

39 Resolution Framework

(i) Details of resolution plan implemented under the Resolution Framework for Covid 19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0)

Type of Borrower	(A) Exposure to accounts classified as standard where resolution plan has been implemented- Position at the end of the previous year	(B) Of (A), aggregate debt that slipped into NPA during the year	(C) Of (A), amount written off during the year	(D) Of (A) amount paid by the borrowers during the year	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan - Position at the end of the year
Personal Loans*	45.27	1.08	-	1.97	42.22
Coporate persons					
of which,MSMEs					
others					
Total	**45.27**	**1.08**	**-**	**1.97**	**42.22**

40 Disclosure pursuant to RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 for loans transferred/acquired under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Count of loan accounts transferred	517	-
(ii) Amount of loan account transferred	393.69	-
(iii) Retention of beneficial economic interest(MRR)	39.37	-
(iv) Weighted average residual tenure of the loans transferred (In no. of months)	14	-
(v) Weighted average holding period	3	-
(vi) Coverage of Tangible security coverage	100%	-
(vii) Number of Transactions	2	-
(viii) Rating wise distribution of rated loans	Unrated	-

41 Analytical Ratios :

Particulars	Denominator	As at March 31, 2023	As at March 31, 2022	% variance	Reason for Variance
a) Capital to riskweighted assets ratio (CRAR)	Risk Weighted Assets	85.59%	87.03%	-1.44%	NA
b) Tier I CRAR Tier-I Capital	Risk Weighted Assets	85.53%	86.46%	-0.93%	NA
c) Tier II CRAR Tier II Capital	Risk Weighted Assets	0.06%	0.57%	-0.51%	NA
d) Liquidity Coverage Ratio	Total net cash outflows	NA	NA	NA	NA

The company is not required to comply with the guidelines of Liquidity Coverage Ratio (LCR) in line with Master Directions-Non Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 as at 31st March 2023 and 31st March 2022.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

42 Fair value measurement (Contd..)

Total risk-weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI. Tier I capital means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund.

Tier II capital includes preference share capital, revaluation reserves, general provisions and loss reserves, hybrid debt capital instruments and subordinate debts to the extent the aggregate does not exceed Tier I capital.

42 Fair value measurement

The management has assessed that the fair value of financial assets and financial liabilities measured at amortized cost, except debt securities and fixed rate loans given to corporates, approximates their respective carrying value due to either the short-term maturity of these instruments or because they carry market rate linked floating rate of interest. The details of the fair valuation techniques used and the fair value of the Company's financial assets and liabilities are as follows:

Assets measured at fair value

The company's investments in mutual fund is the only financial asset measured at fair value through profit and loss. The fair value of units held in mutual funds are measured based on their published net asset value (NAV) taking into account redemption and/ or any other restrictions. Such instruments are classified under Level 2.

Valuation technique

Loans

Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Borrowings

The companies most of the borrowings are at floating rate which approximates the fair value.

Debt securities are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level."

Short Term and Other Financial Assets and Liabilities

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023 and March 31, 2022.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

43 Maturity analysis of Assets and Liabilities:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,007.41	-	3,007.41	418.68	-	418.68
Bank balances other than cash and cash equivalents	5.01	85.40	90.41	-	80.68	80.68
Loans	1,327.38	10,000.97	11,328.35	409.75	8,115.57	8,525.32
Investments	122.31	1,154.02	1,276.33	2,438.32	-	2,438.32
Other financial assets	34.51	41.63	76.14	11.04	13.30	24.34
Non- financial assets						
Current tax assets (net)	-	2.75	2.75	-	-	-
Deferred tax assets (net)	-	18.17	18.17	-	-	-
Property, plant and equipment	-	13.72	13.72	-	18.94	18.94
Rights of use assets		11.39	11.39		17.84	17.84
Intangible assets under development	-	0.26	0.26	-	1.06	1.06
Other Intangible Assets	-	16.24	16.24	-	16.19	16.19
Other non- financial assets	40.08	-	40.08	0.06	34.56	34.62
Deferred tax assets (net)	-	-	-	-	15.50	15.50
Assets held for sale	5.08	-	5.08	2.11	-	2.11
TOTAL ASSETS	**4,541.78**	**11,344.55**	**15,886.33**	**3,279.96**	**8,313.64**	**11,593.60**
LIABILITIES						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.76	-	1.76	1.63	-	1.63
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.31	-	5.31	4.57	-	4.57
Debt Securities	3,488.32	-	3,488.32	23.76	3,465.53	3,489.29
Borrowings (other than Debt Securities)	1,037.78	3,962.67	5,000.45	407.09	1,111.93	1,519.02
Lease Liabilities	5.10	7.75	12.85	7.05	12.85	19.91
Other financial liabilities	817.77	5.60	823.37	413.96	3.52	417.48
Non financial liabilities						
Provisions	1.61	29.56	31.17	0.58	30.88	31.46
Deferred tax liabilities (net)	-	-	-	-	-	-
Other Non-financial liabilities	48.94	-	48.94	30.74	-	30.74
Current tax liabilities (net)	-	-	-	5.13	-	5.13
Total Liabilities	**5,406.59**	**4,005.58**	**9,412.17**	**894.51**	**4,624.72**	**5,519.23**
Net Assets	**(864.81)**	**7,338.97**	**6,474.16**	**2,385.45**	**3,688.92**	**6,074.37**

Notes to the Financial Statements

for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

44 Expenditure in Foreign Currency

Particulars	March 31,2023	March 31,2022
Interest repayments	-	-
Subscription and license fees	-	0.38

There is no expenditure in foreign currency during the year ended March 31, 2023 and the company had spent ₹ 0.38 Mn during the year ended March 31, 2022.

45 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 With regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss":-

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property during the year ended March 31,2023 and March 31,2022.

(ii) The Company does not have any transactions with companies struck off during the year ended March 31,2023 and March 31,2022.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period during the year ended March 31,2023 and March 31,2022.

(iv) The Company have not traded or invested in Crypto currency or virtual currency during the year ended March 31,2023 and March 31,2022.

(v) The Company has not been declared wilful defaulter by any bank or financial institution or other lender during the year ended March 31,2023 and March 31,2022.

(vi) There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments, search or survey or any other relevant provisions under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.

Notes to the Financial Statements
for the year ended March 31, 2023

(All Amount in ₹ In millions, unless otherwise stated)

47 Compliance with Approved Schemes of Arrangements:
The company has not approved any Schemes or Arrangement in terms of section 230 to 237 of the Companies Act 2013 during the year ended 31st March 2023 and 31st March 2022.

48 Title Deeds of Immovable Properties not Held in The Name of The Comapny
The company does not own any immovable property as on 31st March 2023 and 31st March 2022.All the lease agreements are duly executed in favor of the company for building and offfice premises where the company is the Lessee.

49 Compliance with Number of Layers of The Company:
The company has complied with the numbers of layers prescribed under clause 87 of Section 2 of the Act read with Companies(Restriction on number of Layers)Rules, 2017.

50 The Company does not borrow from banks and financial institutions on the basis of security of current assets during the year ended 31 March 2023 and 31 March 2022.

51 The figures for the previous year have been regrouped/rearranged wherever necessary to conform to current year presentation.

The accompanying notes are an integral part of the financial statements
As per our report of even date

For **Agiwal and Associates**
ICAI Firm Registration No. 000181N
Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475
Place: New Delhi
Date: 21- June- 2023

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 21- June- 2023

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: London
Date: 21- June- 2023

Preeti Singh
(Company Secretary)
Membership No: 29633
Place: Ghaziabad
Date: 21- June- 2023

Rajul Bhargava
Executive Director & CEO
DIN: 10098269
Place: New Delhi
Date: 21- June- 2023

DMI HOUSING FINANCE

DMI HOUSING FINANCE PVT. LTD.

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