



DMI HOUSING FINANCE PRIVATE LIMITED
Annual Report-2019-20

DIRECTOR'S REPORT

Dear Members,

DMI Housing Finance Private Limited

The Board of Director of the Company are pleased to present the 9th Director's Report on business and operations of DMI Housing Finance Private Limited ("DMI HFC/Company") your Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

OVERVIEW:

The Company being incorporated on March 23, 2011, is registered with the National Housing Bank (NHB) as a Housing Finance Company and is engaged in the business of providing affordable and housing finance loans to individuals, loan against property, builder loans for construction of residential/housing projects and corporate loans for general operating expenditure including working capital and expansion. 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 present have 38 branches all over the country with 338 employees on payroll.

FINANCIAL HIGHLIGHTS:

(₹ in Million)

Particulars	March 31, 2020	March 31, 2019
Income from Operations	928.57	427.50
Other Income	-	-
Total Income	928.57	427.50
Total Expenditure	620.98	398.97
Profit/(Loss) before Taxation	307.59	28.54
Tax Expenses/(Credits)	76.48	13.00
Profit/(Loss) after Taxation	231.11	15.54
Capital Redemption Reserve	-	-
Reserve Fund u/s Sec 29C of NHB Act, 1987	61.54	15.36
Balance in Profit/(Loss) Account in balance sheet	164.86	(19.85)

STATE OF AFFAIRS OF THE COMPANY:

The total outstanding borrowings of the Company as on 31st March 2020 primarily in the form of Term loans and Non-Convertible debentures stood at Rs.5222.3 million.



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During the Financial year the Company has borrowed by issuing the Non-Convertible Debentures (NCDs) in the following manner given below:

S. No	Particulars	Date of Allotment	Amount (Million)
1.	10.60% Partly Paid-up Senior, Secured, Unlisted, Rated, Redeemable, Non-Convertible Debentures (NCD's) of Rs.10,00,000/- each, to DMI Alternative Investment Fund- Special Opportunities Scheme	August 29, 2019	1500
2.	8.50% Secured, Unlisted, Rated, Redeemable, fully paid-up Non-Convertible Debentures (NCD's) of Rs.10,00,000/- each to DMI Income Fund Pte. Ltd.	December 10, 2019	513
3.	8.50% Secured, Unlisted, Rated, Redeemable, fully paid-up Non-Convertible Debentures (NCD's) of Rs.10,00,000/- each to DMI Income Fund Pte Ltd	February 28, 2020	2953

During the Financial year under review, there has been NIL Non-convertible debentures which has become due for redemption.

Also, during the Financial year, the Company has received a sanction from National Housing Bank (NHB) in response to its application for Refinance Facility amounting to Rs.1500 Million under General Refinance Scheme and under LIFt Scheme of NHB. The company vide following sanction letters issued by NHB has been granted the approval to avail the given facility.

S. No	Details of the Sanction	Amount (Million)	Date of Sanction
1.	Approval under General Refinance Scheme of NHB- Vide Sanction letter No. NHB (ND)/R&PFD/HFC/A-1418/2019-20	750	February 10, 2020
2.	Approval under LIFt Scheme of NHB: vide sanction letter No. NHB (ND)/R&PFD/HFC/A-1417/2019-20	750	February 10, 2020



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The Company has duly accorded the acceptance on the aforesaid sanction letters to NHB and has duly received the disbursement against the aforesaid sanctions on June 30, 2020.

IMPACT OF COVID-19

The “severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)”, generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020 continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and India’s local economic activities. Since, March 24, 2020, the Indian government had announced a series of lock-down which was further extended to May 2020. The recent directions from Government allows for calibrated and gradual withdrawal of lockdown and partial resumption of selected economic activities.

To deal with this disruptions and in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, , the lending institutions were permitted to grant moratorium to all the eligible borrower and for all such accounts where the moratorium is granted, the prudential asset classification shall remain stand still during the moratorium period (“Asset classification benefit”) (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms). The Board of Directors of the Company had approved a policy in accordance with the RBI circular and had provided the option of moratorium to its Borrowers.

It is further informed that, because of lockdown imposed due to COVID-19 pandemic all over the world, the collection was affected, thereby impacting the business of the Company to an extent for a while, however, due to various strategies being adopted (*foe ex: Implementation of scheme of Collection incentive, strong follow-ups and Building efficiency through IT integration for all collection officers*) over the time, the Company has shown a positive trend on recoveries of the outstanding loans.

Also, Reserve Bank of India has provided a Special Liquidity Facility (SLF) of Rs.1,00,000 Million to National Housing Bank (NHB) to enable it to infuse liquidity to Housing Finance companies (HFCs) facing liquidity crunch. Accordingly, National Housing Bank has launched Special Refinance Facility (SRF) scheme to provide short term refinance support to HFCs to mitigate their liquidity risk and improve the much needed liquidity.

Accordingly, the company has also approached NHB for borrowings funds under Special Refinance Scheme and the company received the sanction for an amount of Rs.88.1 Million.

Further, there has also been decrease in the loan disbursements during the lockdown period and delay in repayments of the outstanding amount. However, it is expected that the rate of recoveries will get better with overall economic situation in the future

However, the extent to which the COVID-19 pandemic will impact the Company’s operations and financial metrics is uncertain.



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PORTFOLIO GROWTH AND ASSET QUALITY

Loan Portfolio & Net Owned Funds

The portfolio of the company has grown exponentially from ₹ 4354.98 Million as on March 31, 2019 to ₹ 7941.60 Million as on March 31, 2020 thereby showing a sustainable growth in slow and slur economic environment. The portfolio distribution for the Financial year 2019-20 in comparison to previous financial year is presented as under:

S. No	Particulars	2019-20 Amount (Million)	2019-20 (Percentage)	2018-19 Amount (Million)	2018-19 (Percentage)
1.	Housing Loans	6136.7	77.27%	3521.19	80.86%
2.	LAP	599.2	7.55%	455.58	10.46%
3.	Corporate Loans	1205.7	15.18%	378.13	8.68%
	Total	7941.6	100	4354.90	100

In view of the above, there has been a significant increase in the total portfolio of the Company in which has grown by approximately 82.35%. Further, there has been increase in Corporate loans portion of the Loan portfolio during the Financial year 2019-20 leading to more heterogeneous spread in customer base of the Company.

The Net owned funds of the Company stood at ₹ 5351.52 Million as on March 31, 2020 as compare to ₹ 5249.91 Million as on March 31, 2019.

Credit Evaluation and NPA Levels

The company has 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 effectiveness of the above laid processes can be demonstrated with the NPA levels of the company which have been significantly low since its inception.

The amount of NPA as on March 31, 2020 is ₹16.5 Million against which the Company has as per the NHB Directions, 2010 has fulfilled the requirement for maintenance of 100% provisioning for the amount of NPA.

The Gross NPA level stood at 0.20% and Net NPA stood at 0.17% as on March 31, 2020.



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ECL provisioning

In accordance with Ind AS 109, the Company measures expected credit losses on its financial instruments and has a process to assess credit risk of all exposures at each year end as follows:

Loan Stage	Overdue Period	Duration	ECL Mechanics and Provisioning (2019-20)			
			Probability of default (PD)			Loss given default (LGD) (Home Loan, LAP and Corporate Loans)
			Home Loan	LAP	Corporate	
Stage-I	Standard exposures and exposure up to 30 day overdues	For next 12 Months	0.43%	1.03%	1.75%	60%
Stage-II	Overdues on an exposure exceed for a period more than 30 days	Lifetime ECL	2.40%	5.20%	NA	60%
Stage-III	Overdue balances for a period exceeding 90 days	Lifetime ECL	100%			100%

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.



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The Company has also duly complied with the prudential norms on provisioning requirement as prescribed by National Housing Bank for Standard Loan Asset (category-wise) & for Doubtful-assets (if any).

Capital Adequacy Ratio (CRAR)

The company is maintaining a healthy CRAR of 79.10 % which is higher than the prescribed minimum CRAR as per Housing Finance Companies (NHB) Directions, 2010 as amended from time to time. Below mentioned are the details of CRAR of Tier I and Tier II Capital.

Particulars	March 31, 2020	March 31, 2019
(i) CRAR (%)	79.10%	132.28%
(ii) CRAR – Tier I Capital (%)	78.62%	131.79%
(iii) CRAR – Tier II Capital (%)	0.49%	0.49%

Dividend

In order to conserve its cash resources for future growth of the Company, the Board does not recommend any interim/final dividend during the year under review.

Amount Proposed to Be Carried to Reserves

The break-up of the amounts/profits proposed to be carried to reserves for FY 2019-20, is set out herein below:

(₹ in Million)

Particulars	March 31, 2020	March 31, 2019
Capital Redemption Reserve	-	-
Reserve Fund u/s Sec 29C of NHB Act, 1987	64.86	15.36

STATE OF COMPANY AFFAIRS

Share Capital

During FY 2019-20, the issued, subscribed and paid-up share capital of the Company underwent following changes:

1. Change in Authorized Share Capital

During the year under review, the authorized share capital of the Company did not undergo any change. The existing authorized share capital of the Company stays at INR 10000 Million classified into 86,00,00,000 equity shares of ₹ 10 each and 14,00,00,000 Compulsorily Convertible Preference Shares of ₹ 10 each.



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2. Change in Issued, Subscribed and Paid-Up Share Capital

a) Issuance of Compulsorily Convertible Preference Shares (CCPS) – NIL

b) Issuance of Equity Shares

S. No.	Date of Allotment	Number of shares allotted	Change in paid-up capital
1.	July 17, 2019	36,563 (equity shares)	Increased from INR 4825.39 Million to INR 4825.76 Million
2.	August 29, 2019	93,518 (Class A Equity)	Increased from INR 4825.76 Million to INR 4826.69 Million
3.	March 19, 2020	4,94,90,900* (Partly-paid up Equity shares)	Increased from INR 4826.69 Million to INR 4829.41 Million

**Equity shares issued on partly-paid up basis tranche-wise where subscription amount being received on allotment stands at INR 3.06 Million (Face Value Rs.10/-per share and Premium value @ Rs.1.24 per share) calculated proportionately, balance of INR.553.22 Million (i.e. Face value and Share premium) is yet to be received.*

DIRECTORS' AND KEY MANAGERIAL PERSONNEL

Board Composition

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the National Housing Bank and other applicable laws. During the year under review, the composition of the Board remains unchanged and the details in this regard have been provided under the title Corporate Governance.

Director(s) Disclosure

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by National Housing Bank and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.



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Key Managerial Personnel

During the year under review, there was no change in the Key Managerial Personnel of the Company.

Human Resource

The goal is 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 has hired experienced and efficient employees from the industry, so that they can help in achieving the company's goal. As on March 31, 2020 total number of employees of the company stood at 338 as compared to March 31, 2019, where the number of employees of the company were on 367. Further, since the Company has started to obtain Follow on Support (FOS) services from TeamLease staffing Solutions, the number of employees as on March 2020 has been comparatively less than the previous year.

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. The Employees were also nominated for training programs conducted by National Housing Bank from time to time.

SUBSIDIARIES/ASSOCIATES COMPANIES

The company do not have any subsidiary or associate company as on March 31, 2020.

CREDIT RATING

During the Financial Year 2019-20, the company obtained credit rating from Brickwork Ratings India Private Limited on. The details of the same are given below:

Type of Borrowing	Rating Agency	Date of Rating	Amount (₹ in Million)	Rating
Non-Convertible Debentures	Brickwork Ratings India Private Limited	August 28, 2019	1500	BWR AA-(SO)
Non-Convertible Debentures	Brickwork Ratings India Private Limited	December 06, 2019	1000	BWR AA-(CE)
Non-Convertible Debentures	Brickwork Ratings India Private Limited	February 27, 2020	3000	BWR AA-(CE)



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CORPORATE GOVERNANCE AND RELATED MATTERS

Deposits

DMI HFC is a Non-deposit accepting housing finance company registered with national Housing Bank. The Company did not hold any public deposits at the beginning of the year nor it has accepted any public deposits during the year under review.

Pursuant to the Housing Finance Companies (NHB) Directions 2010, and various circulars issued by NHB from time to time, the Board of Directors of the company had passed a resolution on April 01, 2020 confirming that the company will neither hold nor accept any "Public Deposits" as defined by NHB, during the financial year from April 01, 2020 to March 31, 2021.

Others' Employees Appointment and Remuneration

Other employees' appointment and remuneration is as per the HR policy of the Company.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates (i.e. March 31, 2020) and the date of this report.

EMPLOYEE STOCK OPTION PLAN, 2018

Human Resources are key to the growth and success of an organization, more so in financial services industry. It is therefore imperative to align the interests of the employees and shareholders of the Company. Employee Stock Option schemes have been universally accepted as retention and wealth creation tool 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.

18,71,876 fresh options were granted; however, nil stock options are vested and exercised as on March 31, 2020.

The disclosures required as per Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 is attached as **Annexure-A**.

BOARD MEETINGS

The Board met 5 (Five) times during the financial year 2019-20 on below mentioned dates. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



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S. No.	Date of Board Meeting
1.	May 24, 2019
2.	July 02, 2019
3.	September 11, 2019
4.	November 11, 2019
5.	February 11, 2020

Further, in accordance with Standard 9 of the Secretarial Standards-I on "Meetings of the Board of Directors", the details on the number of meetings attended by each Director during financial year 2019-2020 is given below:

Name of the Directors	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Director	5	5	5
Mr. Gaurav Burman	Director	5	5	4
Mr. Shivashish Chatterjee	Director	5	5	5
Mr. Yuvraja Chanakya Singh	Director	5	5	5

During the year under review there was no change in the composition of the Board of Directors of the Company.

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 8 Committees constituted by the Board namely Audit Committee, Loan Investment and Borrowing Committee, Risk Management Committee, Nomination Committee, Asset Liability Committee, Securities Allotment Committee, IT strategy Committee and Corporate Social Responsibility Committee.

During the Financial year under review following committees were constituted:

- a) **IT Strategy Committee:** Pursuant to the Information Technology Framework issued by National Housing Bank (NHB) for Housing Finance Companies (HFCs) dated June 15,



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2018, DMI Housing Finance Private Limited was have in place a IT Framework as per the guidelines issued by NHB including but not limited to IT Governance, IT Policy, Information and Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing. In view of the same the Company in the meeting of the Board of Directors of the Company held on May 24, 2019 has constituted IT strategy Committee

- b) **Corporate Social Responsibility Committee:** Pursuant to the provisions of Section 135 of Companies Act 2013, read with Companies (Corporate Social Responsibility Rules) 2014 and Schedule VII since the Company has reached net worth of Rs 5294.5 Million, the company was required to formulate the Corporate Social Responsibility (CSR) Committee. Thus, the Company in the meeting of the Board of Directors of the Company held on September 11, 2019 has formulated the CSR Committee

The composition of these Committees as on March 31, 2020 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 2019-20 indicating number of meetings attended by each Committee Member is given below:

➤ **Audit Committee (AC)**

Four Audit Committee Meetings were held during the financial year 2019-20 viz. on May 24, 2019, September 11, 2019, November 11, 2019 and February 11, 2020. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	4
Mr. Gaurav Burman	Member	4	4	3
Mr. Shivashish Chatterjee	Member	4	4	4
Mr. Yuvraja Chanakya Singh	Member	4	4	4

➤ **Loan, Investment and Borrowing Committee (LIBC)**

Four Loan Investment and Borrowing Committee Meetings were held during the financial year 2019-20 viz. on August 28, 2019, September 11, 2019, December 05, 2019, February 27, 2020. The attendance of the members is as follows:



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Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	4
Mr. Gaurav Burman	Member	4	4	4
Mr. Jatinder Bhasin	Member	4	4	4
Mr. Shivashish Chatterjee	Member	4	4	4
Mr. Sahib Pahwa	Member	4	4	4
Mr. Yuvraja Chanakya Singh	Member	4	4	4

➤ **Risk Management Committee (RMC)**

Four Risk Management Committee Meetings were held during the financial year 2019-20 viz. on May 23, 2019, September 11, 2019, November 08, 2019 and February 10, 2020. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	4
Mr. Gaurav Burman	Member	4	4	3
Mr. Rajul Bhargava	Member	4	4	4
Mr. Shivashish Chatterjee	Member	4	4	4
Mr. Yuvraja Chanakya Singh	Member	4	4	4

➤ **Nomination Committee**

One Nomination Committee Meetings were held during the financial year 2019-20 viz. on May 23, 2019 and September 11, 2019. The attendance of the members is as follows:



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Name of the Members*	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	2	2	2
Mr. Gaurav Burman	Member	2	2	2
Mr. Shivashish Chatterjee	Member	2	2	2
Mr. Yuvraja Chanakya Singh	Member	2	2	2

➤ **Asset Liability Committee (ALCO)**

Two ALCO Committee meetings were held during the financial year 2019-20 viz. on May 24, 2019 and January 10, 2020. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	2	2	2
Mr. Gaurav Burman	Member	2	2	2
Mr. Jatinder Bhasin	Member	2	2	2
Mr. Shivashish Chatterjee	Member	2	2	2
Mr. Sahib Pahwa	Member	2	2	2
Mr. Yuvraja Chanakya Singh	Member	2	2	2

➤ **Security Allotment Committee**

Eight Securities Allotment Committee Meetings were held during the financial year 2019-20 on below mentioned dates.



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S. No.	Date of Committee Meeting
1.	July 17, 2019
2.	August 29, 2019
3.	October 04, 2019
4.	October 31, 2019
5.	December 10, 2019
6.	January 07, 2020
7.	February 28, 2020
8.	March 19, 2020

The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	8	8	8
Mr. Gaurav Burman	Member	8	8	8
Mr. Jatinder Bhasin	Member	8	8	8
Mr. Shivashish Chatterjee	Member	8	8	8
Mr. Sahib Pahwa	Member	8	8	8
Mr. Yuvraja Chanakya Singh	Member	8	8	8

These Committees function as per the terms of reference as approved by the Board for the respective Committees and as mentioned in the Corporate Governance Policy.

➤ **Corporate Social Responsibility Committee**

Since the Corporate Social Responsibility (CSR) Committee was constituted on September 11, 2019, the meeting of the CSR Committee meeting was held on March 05, 2020 for the financial year 2019-20. The attendance of the members is as follows:



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Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	1	1	1
Mr. Gaurav Burman	Member	1	1	1
Mr. Shivashish Chatterjee	Member	1	1	1
Mr. Yuvraja Chanakya Singh	Member	1	1	1

➤ **IT Strategy Committee**

Three IT Strategy Committee meetings were held during the financial year 2019-20 viz. on September 11, 2019, November 11, 2019 and February 10, 2020. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2019-20		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	3	3	3
Mr. Jatinder Bhasin	Member	3	3	3
Mr. Rajul Bhargava	Member	3	3	3
Mr. Saurabh Nigam	Member	3	3	3
Mr. Devendra Sharma	Member	3	3	3
Mr. Manish Srivastava	Member	3	3	3
Mr. Manikant R.Singh	Member	3	3	3
Mr. Shivashish Chatterjee	Member	3	3	3
Mr. Yuvraja Chanakya Singh	Member	3	3	3



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General Meetings

➤ **Annual General Meeting**

During the year under review, the Annual General Meeting of the Company for the Financial Year ended March 31, 2019 was held on August 29, 2019.

➤ **Extra-ordinary General Meeting(s)**

During the year under review, 3 Extra-ordinary General Meeting(s) (EGM) of the Company were held during the financial year 2019-20. The Members accorded their approval in the requisite manner for the matters taken in the respective EGMs.

S. No.	Date of Extra-ordinary general meeting
1.	June 21, 2019
2.	December 23, 2019
3.	February 11, 2020

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has a Corporate Social Responsibility Committee of directors comprising of Mr. Tammir Anr, Mr. Gaurav Burman, Mr. Shivashish Chatterjee and Mr. Yuvraja Chanakya Singh and has inter alia also formulated a CSR Policy.

The role of the CSR Committee is to review the CSR policy, indicate activities to be undertaken by the Company towards CSR activities and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR activities.

The Company was required to spend Rs. 2,47,008/- (Rupees Two Lakh Forty Seven Thousand and Eight Only) towards CSR activities during the year and has incurred CSR expenditure of Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand Only).

The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board in the meeting held in September 11, 2019 and the same has been put up on the Company's website and available at the link:

https://www.dmihousingfinance.in/pdf/DMI-HFC_Corporate-Social-Responsibility-Policy.pdf

The Annual Report on CSR Activities, which forms part of the Directors' Report, is annexed as 'Annexure B' to this report.



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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 are required to be provided as per Section 134(3) (g) of the Act.

RELATED PARTY TRANSACTIONS

In terms of the applicable provisions of the Companies Act, 2013 and the Housing Finance Companies – (NHB) Directions, 2010, (as amended from time to time), the Company has put in place a Board approved Related Party Transaction Policy ("RPT Policy") for the purpose of obtaining requisite approval and reporting transactions with related parties.

The details of all transactions with related parties are provided in the accompanying financial statements of the Company.

Regulatory Disclosures on Related Party Transactions required under Housing Finance Companies:

– Corporate Governance (NHB) Directions 2016, are as follows:

- a) The details on all material Related Party Transactions of the Company, identified as per the Company's Policy on Related Party Transactions framed pursuant to the Housing Finance Companies – Corporate Governance (NHB) Directions 2016 are provided in Form AOC-2 prescribed under clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure-C**.
- b) The Company has policy in place on dealing with Related Party Transactions and the policy may be accessed on the Company's website at the link:

https://www.dmihousingfinance.in/pdf/Related-Party-Transaction-Policy_11092019.pdf

These transactions were at an arms-length and in the ordinary course of business.

RISK MANAGEMENT POLICY

In accordance with Housing Finance Companies – (NHB) Directions, 2010 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



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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;
- Information is recorded and auditable;
- Quick and effective means of formally capturing key business risks;
- Demonstrates organization's ability to manage / mitigate risk in a comprehensive and timely manner.

Key Activities - Strengthening the Risk Control Matrices

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

- Capture of additional risks and key controls
- Timelines for Implementation of Controls
- Mitigating controls.

Testing of Implemented Controls

Questionnaire for testing Implemented Controls, in order to keep a check on any further actions required to be taken.

Reporting to Risk Committee and Audit Committee

- Reporting on controls testing (including high level view of key risks and controls) to be combined as part of quarterly IA reporting;
- Reporting to Risk Committee and Audit Committee and thereafter to the Board of Directors;
- Updated RCMs to be provided to management.

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, 2020, 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;



DMI HOUSING FINANCE PRIVATE LIMITED
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- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis; and
- e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System in place, commensurate with the size, scale and complexity of its operations. The Company has appointed M/s Sanjiv Syal & Associates as the Internal Auditor of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee has the responsibility for establishing the audit objectives and 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: -

- To provide assurance on the adequacy, efficiency and effectiveness of the control environment
- To ascertain compliance with statutory and regulatory requirements.
- To review the adequacy, accuracy, circulation and timeliness of financial and operating information pertaining to the company.
- To ascertain whether quality of assets and their safeguarding is as per approved norms.
- To determine the integrity, security, and controls in the information system are at acceptable standards; and

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Even though operations of the Company are not energy intensive, the management has 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 are 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.



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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, 2020	March 31, 2019
IT Subscription	0.39	Nil
Interest on bonds for Non-resident	10.84	Nil

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

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.

DISCLOSURE OF REMUNERATION AND PARTICULARS OF EMPLOYEES

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

In terms of Section 197 of the Act read with Rule 5 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 have been provided at Annexure D to this Board's Report.

Statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection at the Registered Office of the Company during business hours for a period of 21 days before the date of the ensuing Annual General Meeting. A copy of the statement may be obtained by shareholders by writing to the Company Secretary at the Registered of the Company.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

In terms of the requirement of Section 177 of Companies Act, 2013 and Rule 7 of the Companies (Meeting of Board and its Power) Rules, 2014, the Company has formulated a codified vigil mechanism for their Directors and Employees to report their genuine concerns or grievances about



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unethical and improper practices or any other wrongful conduct in the Company, without fear of punishment, victimization or unfair treatment.

The vigil mechanism provides adequate safeguards against victimization of Employees and Directors who avail of the vigil mechanism and provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Also, the Whistle Blower Policy of the Company has been put up on the Company's website and available at the link:

<https://www.dmihousingfinance.in/pdf/Whistle-Blower-Policy-Fraud-Prevention-Vigil-Mechanism.pdf>

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

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

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

Scope of the Policy:

The provisions of this policy are applicable to:

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

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

No Complaint was received under POSH during the year ended March 31, 2020.



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STATUTORY AND REGULATORY COMPLIANCE

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013, and the Income-tax Act, 1961. Further, the Company has complied with the NHB's Housing Finance Companies Directions, 2010 (*and such other guidelines, notifications, circulars issued from time to time*), 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, RBI notifications, guidelines, circulars and directions as may be applicable to NHBs and such other applicable labour laws.

REQUIREMENT FOR MAINTENANCE OF COST RECORDS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 as amended from time to time, a Management Discussion and Analysis report should form part of the Annual Report. The Management Discussion and Analysis form part of this report.

STATUTORY AUDITORS

S.R. Batliboi & Associates, LLP Chartered Accountants, Gurugram, Firm Registration No. 101049W ("firm") were appointed as the Statutory Auditors of the Company to hold office for a term of 5 (Five) years subject to ratification by the shareholders at every Annual General Meeting.

However, 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.

However, the firm was re-appointed as statutory auditors of the Company for the Financial year 2019-20 in order to hold office from the conclusion of 08th Annual General Meeting until the conclusion of 09th Annual General meeting of the Company.

AUDITOR'S OBSERVATION

The Directors have examined the Auditors' Report on accounts for the period ended March 31, 2020. The Auditors' Report along with the relevant disclosures is self-explanatory and has no qualification or adverse remarks.

STATUTORY DISCLOSURES BY DIRECTORS

None of the Directors of your Company is 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.



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EXTRACTS OF ANNUAL RETURN

The extract of Annual Return for Financial Year 2019-20 is attached to the Board's Report as Annexure-E in accordance with Sub-Section (3) of Section 92(3) of Companies Act, 2013 and rules framed therein.

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

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

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179
Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003



Mr. Shiyashish Chatterjee
Director
DIN: 02623460
Address: 1 Fifth Avenue, #14D, New York,
NY 10003 USA



Place: *New Delhi*
Date: September 18, 2020

Place: *New York*
Date: September 18, 2020



DMI HOUSING FINANCE PRIVATE LIMITED
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Annexure-A

DMI Employee stock Option Plan
[Section 62 of the Companies Act, 2013 and Rule 12(9) of Companies (Share Capital & Debentures)
Rules, 2014]

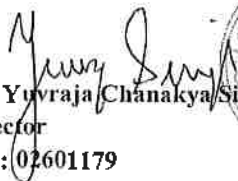
S. No.	Particulars	DMI HFC ESOP Plan 2018	DMI HFC Retention Plan, 2018	DMI ESOP Plan 2019	DMI ESOP Plan Management
1.	Options granted	3,49,316	8,25,358	18,71,876 (Granted during 2019-20)	26,33,803
2.	Options vested	-	-	-	-
3.	Options exercised	-	-	-	-
4.	Total number of shares arising as a result of exercise of option	-	-	-	-
5.	Options lapsed	-	11,268	-	5,21,127
6.	Exercise price	10.68	10.72	10.94	10.72
7.	Variation of terms of options	-	-	-	-
8.	Money realized by exercise of options	-	-	-	-
9.	Total number of options in force	3,49,316	8,25,358	18,71,876	26,33,803
10.	Employee wise details of options granted to:	-	-	-	-
	a) Key managerial personnel	-	-	-	-
	b) 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	-	-	-	-
	c) Identified employees who were granted option, during any one year, equal to or	-	-	-	-



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	exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grants				
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**For and on behalf of the Board of
DMI Housing Finance Private Limited**


Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179
Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003



Place: *New Delhi*
Date: September 18, 2020


Mr. Shivashish Chatterjee
Director
DIN: 02623460
Address: 1 Fifth Avenue, #14D, New York,
NY 10003 USA



Place: *New York*
Date: September 18, 2020



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

During the year, the Company constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

1. A brief outline 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 has adopted CSR Policy it aims at supplementing the role of government in enhancing the welfare measures for the underprivileged communities. In order to initiate a start on its CSR responsibilities. The company will distribute its CSR efforts in accordance with the provisions of the companies Act 2013, announce the following themes:

- Health Sanitation;
- Self-help groups empowering women;
- Cleanliness and hygiene program;
- Education

Weblink: The CSR Policy and details of the projects funded by the company can be accessed from https://www.dmihousingfinance.in/pdf/DMI-HFC_Corporate-Social-Responsibility-Policy.pdf

2. The composition of CSR Committee:

- Mr. Tammir Amr (Director)- Member
- Mr. Gaurav Burman (Director)- Member
- Mr. Shivashish Chatterjee (Director) – Member
- Mr. Yuvraja Chanakya Singh (Director)- Member

- 3. Average net profit of the company for last three financial years: ₹ 12.35 Million**
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 0.25 Million**
- 5. Details of CSR spent during the financial year 2019-20: ₹ 0.25 Million**
- 6. Total amount spent for the financial year 2019-20- ₹ 0.25 Million**



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(a) Amount unspent, if any- NIL

(b) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity defined	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (₹ in Million)	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs. Overheads: (₹ in Million)	Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through implementing agency:
1.	Anushruti IIT (Roorkee)	Education and Life skills	The school is run by professors of IIT-R to deliver quality education to children with speech and hearing impairments in and around Roorkee	0.25	0.25	0.25	The amount was directly transferred to the Implementation Partner.
	Total			0.25	0.25	0.25	

6. In case the company has failed to spend the two percent of the average net profit of the last 3 financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board.

The focus of the CSR agenda was to create a consistent, holistic, sustainable development program for the



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marginalized, underprivileged urban poor. During the course of the year, the Company engaged with various organizations to pursue and drive the identified agenda/programs.

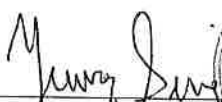
For the year ended March 31, 2020, the Company was required to spend INR 0.25 Million under CSR for F.Y. 2019-20 as prescribed under Section 135 of the Companies Act, 2013. The Company had disbursed full amount of INR 0.25 Million during the financial year 2019-20.

The CSR committee confirms that the implementation and monitoring of CSR policy, follows CSR objectives and Policy of the company.


7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and CSR Policy of the Company.

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


Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179
Address: 46, 2nd Floor, Jor Bagh
New Delhi- 110003




Mr. Shivashish Chatterjee
Director
DIN: 02623460
Address: 1 Fifth Avenue, #14D, New York,
NY 10003 USA



Place: *New Delhi*
Date: September 18, 2020

Place: *New York*
Date: September 18, 2020



DMI HOUSING FINANCE PRIVATE LIMITED
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Annexure-C

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 entered into any contract, arrangement or transaction 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/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board or Committee	(g) Amount paid as advances, if any:
DMI Limited	Transfer of 22,29,760 equity shares of Face value of Rs.10/- each (Issue price: Rs.10.94 per share) from DMI Finance Private Limited to DMI Limited	NA	As per the terms and conditions of the Share Purchase Agreement entered into by and between DMI Finance Private Limited and DMI Limited	As per the terms and conditions of the Share Purchase Agreement entered into by and between DMI Finance Private Limited and DMI Limited	June 25, 2019	Consideration for sale of equity shares by DMI Finance Private Limited to DMI Limited was 24.39 Million
K2VZ (Partnership Firm)	Up to 10% equity share in the share capital of the Company	As per the agreed terms and conditions	As per the agreed terms and conditions	As per the agreed terms and conditions	February 11, 2020	Subscription money received on application 3.06 Million (including



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	<p>exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grants</p>				
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**For and on behalf of the Board of
DMI Housing Finance Private Limited**

M. Yuvraja Chanakya Singh
Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179



Shivashish Chatterjee
Mr. Shivashish Chatterjee
Director
DIN: 02623460



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

**Address: 1 Fifth Avenue, #14D, New York,
NY 10003 USA**

**Place: *New Delhi*
Date: September 18, 2020**

**Place: *New York*
Date: September 18, 2020**



DMI HOUSING FINANCE PRIVATE LIMITED
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Annexure-E

FORM NO. MGT 9

Extract of Annual Return as on Financial Year 2019-20

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS OF THE COMPANY:

CIN	U65923DL2011PTC216373
Registration Date	March 23, 2011
Name of the Company	DMI Housing Finance Private Limited
Category/Sub-category of the Company	Private Company limited by shares
Address of the Registered office & contact details	Express Building, 3 rd Floor, Bahadur Shah Zafar Marg, New Delhi-110002 T: +91 11 41204444 F: +91 11 41204000 Website: www.dmihousingfinance.in Email: dmi@dmihousingfinance.in
Whether listed company	Unlisted
Name, Address & contact details of the Registrar & Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Housing Finance Company (Financial services except insurance and pension funding activities)	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and address of the Company	CIN/FCRN	Holding/ Subsidiary/ Associate	% of Total Shares held	Applicable Section
1.	DMI Limited	Not Applicable	Holding	86.52%	2(46)



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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	0.00%	-	-	-	0.00%	-
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	-
c) State Govt (s)	-	-	-	0.00%	-	-	-	0.00%	-
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	-
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	-
f) Any Other	-	-	-	0.00%	-	-	-	0.00%	-
Sub-total (A) (1)	-	-	-	0.00%	-	-	-	0.00%	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	0.00%	-	-	-	0.00%	-
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	-
c) Bodies Corp.	45,82,12,555		45,82,12,555	94.96%	46,04,42,315		4,60,44,23,15	86.52%	8.44%
d) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	-
e) Any Others	-	-	-	0.00%	-	-	-	0.00%	-
Sub-total (A) (2)	45,82,12,555		45,82,12,555	94.96%	46,04,42,315		4,60,44,23,15	86.52%	8.44%
Total shareholding of	45,82,12,555		45,82,12,555	94.96%	46,04,42,315		4,60,44,23,15	86.52%	8.44%



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Promoter (A) = (A)(1) + (A)(2)										
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%	
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%	
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%	
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%	
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%	
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%	
g) FII's	-	-	-	0.00%	-	-	-	0.00%	0.00%	
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%	
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%	
Sub-total (B)(1)	-	-	-	0.00%	-	-	-	0.00%	0.00%	
(2) Non-Institutions										
a) Bodies Corp.										
i) Indian	2,42,32,979	-	2,42,32,979	5.02%	26,39,080	-	26,39,080	0.50%	4.52%	
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	93,632	-	93,632	0.02%	66,90,289	-	66,90,289	1.26%	(1.24%)	
c) Others (Partnership Firm and sole proprietorship)	-	-	-	-	1,28,97,563	4,94,90,900	6,23,88,463	11.72%	(11.72%)	



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Sub-total (B)(2)	2,43,26,611	-	2,43,26,611	5.04%	2,22,26,932	4,94,90,900	7,17,17,832	13.48%	(8.44%)
Total Public Shareholding (B)=(B)(1) + (B)(2)	2,43,26,611	-	2,43,26,611	5.04%	2,22,26,932	4,94,90,900	7,17,17,832	13.48%	(8.44%)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	48,25,39,166	-	48,25,39,166	100.00%	48,26,69,247	4,94,90,900	53,21,60,147	100%	-

b) Shareholding of Promoter

S. No.	Name of the shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	DMI Limited	45,82,12,555	94.96%	NIL	460,442,315	86.52%	NIL	8.44%
	Total	45,82,12,555	94.96%	NIL	460,442,315	86.52%	NIL	8.44%

c) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	DMI Limited				
	At the beginning of the year	45,82,12,555	94.96%	45,82,12,555	94.96%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons:	22,29,760	95.42%	46,04,42,315	95.42%
	Increase: Transfer of shares from DMI Finance Private Limited to DMI Limited dated June 25, 2019				



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At the End of the year	46,04,42,315	86.52*%	46,04,42,315	86.52*%
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*The percentage of the DMI Limited Holding in the Company has reduced due to allotment of equity shares to Amicus Corp, Rajul Bhargava and K2VZ during the Financial year 2019-20 and corresponding increase in paid-up share capital of the Company

d) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	K2VZ				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons: <i>Increase:</i> Allotment of 4,94,90,900 Partly-paid up equity shares of Rs.10 each dated March 19, 2020 (Face value of Rs.0.06 paid-up and the balance Rs.9.94 shall be called later)	4,94,90,900	9.30%	4,94,90,900	9.30%
	At the End of the year	4,94,90,900	9.30%	4,94,90,900	9.30%
2.	Windy Investment Partnership Firm				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons: <i>Increase:</i> Transfer of shares from DMI Finance Private Limited to Windy Investment Partnership Firm dated June 19, 2019	1,28,61,000	2.67%	1,28,61,000	2.67%
	At the End of the year	1,28,61,000	2.42%*	1,28,61,000	2.42%*
3.	Anuj Malhotra				



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	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons:				
	<i>Increase:</i> Transfer of shares from DMI Finance Private Limited to Anuj Malhotra dated June 19, 2019	52,85,767	1.10%	52,85,767	1.10%
	At the End of the year	52,85,767	0.99%*	52,85,767	0.99%*
4.	Windy Investment Private Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons:				
	<i>Increase:</i> Transfer of shares from DMI Finance Private Limited to Windy Investment Private Limited dated June 19, 2019	26,39,080	0.55%	26,39,080	0.55%
	At the End of the year	26,39,080	0.50%*	26,39,080	0.50%*
5.	Saurav Jindal				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons:				
	<i>Increase:</i> Transfer of shares from DMI Finance Private Limited to Saurav Jindal dated May 15, 2019	8,00,326	0.17%	8,00,326	0.17%
	At the End of the year	8,00,326	0.15%*	8,00,326	0.15%*
6.	Bina Singh				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons:				
	<i>Increase:</i> Transfer of shares from DMI Finance Private Limited to Bina Singh dated May 15, 2019	1,98,593	0.04%	1,98,593	0.04%



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	At the End of the year	1,98,593	0.04%	1,98,593	0.04%
7.	Pavninder Singh				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons: <i>Increase:</i> Transfer of shares from DMI Finance Private Limited to Pavninder Singh dated May 20, 2019	218,453	0.05%	218,453	0.05%
	At the End of the year	218,453	0.04%*	218,453	0.04%*
8.	Mr. Rajul Bhargava				
	At the beginning of the year	93,632	0.02%	93,632	0.02%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons <i>Increase-</i> Allotment of Class A Equity shares dated August 29, 2019	93,518	0.04%	1,87,150	0.04%
	At the End of the year	1,87,150	0.04%	1,87,150	0.04%
9.	Amicus Corp				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons <i>Increase-</i> Allotment of Equity shares dated July 17, 2019	36,563	0.01%	36,563	0.01%
	At the End of the year	36,563	0.01%	36,563	0.01%

*The further change in the percentage of shareholding is due to the increase in paid-up shares of the Company due to subsequent allotments to other persons/entities during the financial year 2019-20.

e) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company



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1.	Mr. Tammir Amr				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
2.	Mr. Gaurav Burman				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons	0.00	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
3.	Mr. Shivashish Chatterjee				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons	0.00	0.00	0.00	0.00
	Decrease- August 13, 2018- Transfer of 4,93,627 equity shares				
	At the end of the year	0.00	0.00	0.00	0.00
4.	Mr. Yuvraja Chanakya Singh				
	At the beginning of the year	1	-	1	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons :	1	0.00	0.00	0.00
	Decrease: Transfer of Equity shares to DMI Finance Private Limited on May 20, 2019				
	At the end of the year	0.00	0.00	0.00	0.00

V) INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	466.9	Nil	Nil	466.9
ii. Interest due but not paid	Nil	Nil	Nil	Nil



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iii. Interest accrued but not due		1.4	Nil	Nil	1.4
Total (i+ii+iii)		468.3	Nil	Nil	468.3
Change in Indebtedness during the financial year					
i. Addition		4966.0	Nil	Nil	4966.0
ii. Reduction		210.6	Nil	Nil	210.6
Net Change		4755.4	Nil	Nil	4755.4
Indebtedness at the end of the financial year					
iii. Principal Amount		5222.3	Nil	Nil	5222.3
iv. Interest due but not paid		Nil	Nil	Nil	Nil
v. Interest accrued but not due		51.7	Nil	Nil	51.7
Total (i+ii+iii)		5274.0	Nil	Nil	5274.0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Mr. Shivashish Chatterjee	Mr. Yuvraja Chanakya Singh	Total Amount (In Rs.)
"Gross salary	-	-	-
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961"	-	-	-
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
-as % of profit	-	-	-
-others, specify...	-	-	-
Others (Bonus)	-	-	-
Total (A)	-	-	-
Ceiling as per the Act	Not applicable since Company is a private company		



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B. Remuneration to other Directors

Particulars of Remuneration	Name of the Directors		Total Amount (in Rs.)
	Mr. Tammir Amr	Mr. Gaurav Burman	
A) Independent Directors			
-Fee for attending board / committee meetings	-	-	-
-Commission	-	-	-
-Others, please specify	-	-	-
Total (1)	-	-	-
B) Other Non-Executive Directors			
-Fee for attending board / committee meetings	-	-	-
-Commission	-	-	-
Total (2)	-	-	-
Total (B)= (1+2)	-	-	-
Total Managerial Remuneration (A+B)			-
Overall Ceiling as per the Act		Rs. 100,000 per meeting	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	13,50,252	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	20,764	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	-others, specify	-	-	-	-
5.	Others (Performance Bonus)	-	-	-	-
	Total		13,71,016		



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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

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


Mr. Yuvraja Chanakya Singh
Director

DIN: 02601179

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

Place: *New Delhi*
Date: September 18, 2020


Mr. Shivashish Chatterjee
Director

DIN: 02623460

Address: 1 Fifth Avenue, #14D, New York,
NY 10003 USA

Place: *New York*
Date: September 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of DMI Housing Finance Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of DMI Housing Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, 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 Ind AS 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 Ind AS 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, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Other Information

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 Ind AS financial statements and our auditor's report thereon.

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

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.

Emphasis of Matter

We draw attention to Note 38 of the financial statement which describes the extent to which CoVID-19 Pandemic impact the Company's operations and financial results will depends on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Responsibility of Management for the Ind AS 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 Ind AS 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



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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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

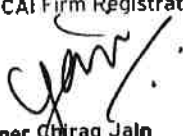
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these [standalone] [Ind AS] 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, 2020;
 - (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.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per **Chirag Jain**
Partner
Membership Number: 115385

UDIN: 20115385AAAABR4164
Mumbai
July 3, 2020



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: DMI Housing Finance Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is regular programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the order are not applicable to the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to duty of excise and sales-tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.



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- (xi) According to the information and explanations given by the management, the provision of section, read with Schedule V to the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Chirag Jain

Partner

Membership Number: 115385

UDIN : 20115385AAAABR4164

Mumbai

July 3, 2020



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 (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DMI Housing Finance Private Limited ("the Company") as of March 31, 2020 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. 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 over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Financial Statements



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

(ICAI Firm Registration Number: 101049W/E300004


per Chirag Jain
Partner

Membership Number: 115385

UDIN :
Mumbai
July 3, 2020



DMI Housing Finance Private Limited
Balance Sheet as at March 31, 2020
 (All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents			
Loans	4	730.93	518.99
Investments	5	6,969.62	4,195.37
Other financial assets	6	3,309.19	1,595.95
	7	20.51	6.35
Non-financial assets			
Current tax assets (net)			
Deferred tax assets (net)		14.04	8.01
Property, plant and equipment	16	10.31	
Intangible assets under development	8(a)	60.38	40.78
Other intangible assets	8(b)	12.16	
Other non-financial assets	8(c)	0.51	0.64
	9	19.53	19.56
Assets held for sale	10		3.86
LIABILITIES AND EQUITY	TOTAL	11,117.16	6,187.88
LIABILITIES			
Financial liabilities			
Payables			
(i) Trade Payables	11		
(ii) Total outstanding dues of micro enterprises and small enterprises			
(iii) Total outstanding dues of creditors other than micro enterprises and small enterprises		5.32	4.49
Debt Securities			
Borrowings (other than Debt Securities)	12	4,966.00	
Other financial liabilities	13	284.31	466.93
	14	293.17	387.36
Non-financial liabilities			
Provisions			
Deferred tax liabilities (net)	15	19.47	14.24
Other non-financial liabilities	16		0.92
	17	54.66	44.53
Equity			
Equity share capital	18	4,829.41	4,825.40
Other equity	19	684.79	443.80
Summary of significant accounting policies	TOTAL	11,117.16	6,187.88

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
 ICAI Firm Registration No. 201049W/E300004
 Chartered Accountants

per Chirag Jain
 Partner
 Membership No. 11438

Place: **Mumbai**
 Date: **03 July 2020**



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

(Signature)
 Anurag Chopra
 Director
 DIN: 02623460
 Place: New Delhi
 Date: July 3, 2020

(Signature)
 Manoj Singh
 Director
 DIN: 02601179
 Place: New Delhi
 Date: July 3, 2020

(Signature)
 Anjali Vardany
 Company Secretary
 Membership No: A11180
 Place: New Delhi
 Date: July 3, 2020

DMH Housing Finance Private Limited
Statement of profit and loss for the year ended March 31, 2020
 (All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	For the year March 31, 2020	For the year March 31, 2019
Revenue from operations			
Interest Income	20	868.68	378.02
Fees and commission Income	21	16.49	7.42
Net gain on fair value changes	22	43.40	42.06
Total revenue from operations		928.57	427.50
Total income		928.57	427.50
Expenses			
Finance Costs	23	161.22	90.65
Impairment on financial instruments	24	32.65	12.40
Employee Benefits Expense	25	307.20	186.86
Depreciation, amortization and impairment	8	23.18	10.40
Other expenses	26	96.73	99.99
Total Expenses		670.98	399.92
Profit before tax		257.59	28.58
Tax Expense:			
(1) Current Tax	16	87.64	21.58
(2) Deferred Tax		(11.10)	(8.94)
Profit for the year		231.11	15.53
Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss			
Actuarial gain (loss) on gratuity		10.90	0.07
Income Tax Effect		0.08	(0.07)
Other Comprehensive Income, net of income tax		10.22	0.05
Total Comprehensive Income for the year		240.89	15.58
Earnings per equity share	27		
Basic (Rs.)		0.48	0.70
Diluted (Rs.)		0.46	0.70
Normal value per share (Rs.)		10.00	10.00
Summary of significant accounting policies			
		10.00	10.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
 ICAI Firm Registration No. 101049W/E3000004
 Chartered Accountants

per Chirag Jain
 Partner
 Membership No. 115185

Chirag Jain

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

Shakti Singh
 Shivam Singh
 (Director)
 DIN: 07622460
 Place: New Delhi
 Date: July 3, 2020

Munish Singh
 Munish Chandra Singh
 (Director)
 DIN: 07603179
 Place: New Delhi
 Date: July 3, 2020

Deepa Verma
 Deepa Verma
 (Company Secretary)
 Membership No: A31180
 Place: New Delhi
 Date: July 3, 2020

Place: **MUMBAI**
 Date: **03 July 2020**



DMI Housing Finance Private Limited
Cash flow statement for the year ended March 31, 2020
 (All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A Cash flow from Operating Activities:			
Net profit before tax as per statement of profit and loss		307.59	78.53
Adjustments for:			
Depreciation and amortisation		23.18	10.40
Net gain on sale of Investments		(43.40)	(42.06)
Provision for impairment loss allowance		32.65	12.40
Provision for employee benefits		7.35	4.39
Interest expense on Compulsorily Convertible Preference Shares		5.59	2.18
Share based payments		(787.49)	(378.02)
Interest income on loan		180.41	88.65
Operating profit before working capital changes		(294.06)	(241.90)
Changes in working capital			
(Increase)/Decrease in financial and other assets		(1,991.76)	(2,158.66)
Increase/(Decrease) in financial and other liabilities		(93.49)	178.23
Increase in non financial assets		(105.92)	(18.52)
Increase/(decrease) in non financial liabilities		118.08	50.30
Total of changes in working capital		(2,167.15)	(2,398.95)
Direct taxes paid		95.79	5.22
Net cash flow from / (used in) Operating Activities (A)		(2,462.94)	(2,196.17)
B Cash flow from Investing Activities:			
Inflow (outflow) on account of:			
Investment in mutual fund		(1,070.88)	(3,070.00)
Sale of investments		1,824.53	1,824.53
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	8	(54.81)	(23.00)
Purchase of Investments in MCDs		(738.56)	(129.86)
Net cash flow from / (used in) Investing Activities (B)		(1,924.65)	(3,388.27)
C Cash flow from Financing Activities:			
Issue of equity shares (including share premium)		4.48	4,097.38
Proceeds from borrowings		4,556.00	680.00
Repayment of borrowings		(210.51)	(795.93)
Interest paid on borrowing		(160.41)	(188.65)
Net Cash flow from / (used in) Financing Activities (C)		4,599.56	3,692.75
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		211.97	908.31
Cash and cash equivalents as at the beginning of the year		518.94	210.81
Cash and cash equivalents at the end of the year	4	730.91	518.98
Components of cash and cash equivalents			
Cash in hand		0.10	0.17
Balance with banks in current accounts		730.81	518.77
Total cash and cash equivalents	4	730.91	518.98
Summary of significant accounting policies	5		

The accompanying notes are an 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.

As per our report of even date

For S R. Batliboi & Associates LLP
 ICAI Firm Registration No. 101049W/E300001
 Chartered Accountants

per Chirag Jain
 Partner
 Membership No. 115345

Place: **MUMBAI**
 Date: **03 JULY 2020**



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

(Signature)
 Director
 DIN: 02621800
 Place: New Delhi
 Date: July 3, 2020

(Signature)
 Director
 DIN: 02681179
 Place: New Delhi
 Date: July 3, 2020

(Signature)
 (Company Secretary)
 Membership No: A3118D
 Place: New Delhi
 Date: July 3, 2020

DMI Housing Finance Private Limited
Statement of changes in equity for the year ended March 31, 2020
 (All amount in Rs. in millions, except for share data unless stated otherwise)

a. Equity Share Capital		
Particulars	No. of Shares	Amount
As at April 1, 2018	1,27,36,583	199.11
Issue of Equity share capital during the year ended March 31, 2019 (refer note 15)	46,35,68,583	4,635.09
As at March 31, 2019		
Issue of Equity share capital during the year ended March 31, 2020 (refer note 18)	48,25,39,166	4,825.40
As at March 31, 2020	1,21,99,561	1,011
	53,21,80,142	4,829.41

Particulars	Equity Component Compulsorily Convertible Preference Shares	Reserve & Surplus				Total
		Securities premium Account	Special Reserve U/s 36(1)(b)(ii) of the Income Tax Act, 1961	Share Based Payments Reserve	Retained Earnings	
Balance as at 31 March 2018	576.60	7.56	4.51	0.01	(26.58)	562.10
Traffic for the year					15.53	15.53
Other Comprehensive Income					0.06	0.06
Total comprehensive income					15.59	15.59
Add: Issue of Equity Shares		303.65				303.65
Add: Share Premium on conversion Of Compulsorily Convertible Preference shares		120.49				120.49
Add: Issue of Compulsorily Convertible Preference Shares		31.37				31.37
Add: during the year on Account of Employee Share Options				5.74		5.74
Less: On account of compulsorily convertible Preference Shares split into equity and liability		185.42				(185.42)
Less: Conversion of Compulsorily Convertible Preference Shares	(576.60)					(576.60)
Transferred to Reserve III (Reserve U/s 36(1)(b)(ii)), Considered as eligible transfer to Special Reserve U/s 20C of the IIT Act, 1987			10.85		119.05	130.90
At 31 March 2019		442.51	15.36	5.78	119.85	683.50
Traffic for the year					131.11	131.11
Other Comprehensive Income					10.22	10.22
Total comprehensive income					141.33	141.33
Add: Issue of Equity Shares					230.89	230.89
Add: Share Premium on conversion Of Compulsorily Convertible Preference Shares		0.44				0.44
Add: Issue of Compulsorily Convertible Preference Shares						
Add: during the year on Account of Employee Share Options				9.62		9.62
Less: On account of compulsorily convertible Preference Shares split into equity and liability						
Less: Conversion of Compulsorily Convertible Preference Shares						
Transferred to Reserve (Reserve U/s 36(1)(b)(ii)), Considered as eligible transfer to Special Reserve U/s 20C of the IIT Act, 1987			06.18		(34.18)	(28.00)
At 31 March 2020		442.99	61.54	15.40	166.86	686.79

The accompanying notes are integral part of financial statements.

As per our report of even date
 For S.R. Batliboi & Associates LLP
 (C.A. Firm Reg. No. 101049W/E300004
 Chartered Accountants)

per Chitra Jain
 Partner
 Membership No. 115365

Place:
 Date:

Mumbai
03 July 2020



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

Shivaji
 Director
 DIN: 02673560
 Place: New Delhi
 Date: July 3, 2020

Munish Suri
 Director
 DIN: 02601120
 Place: New Delhi
 Date: July 3, 2020

Chartered Secretary
 Membership No: A31180
 Place: New Delhi
 Date: July 3, 2020

DMI Housing Finance Private Limited
Notes to financial statements for the year ended 31st March 2020

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.

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).

The standalone 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 right 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 3(m) 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 March 31, 2020.

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.

i) Defined employee benefit assets and liabilities



DMI Housing Finance Private Limited
Notes to financial statements for the year ended 31st March 2020

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 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.



DMI Housing Finance Private Limited
Notes to financial statements for the year ended 31st March 2020

(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 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.

Depreciation and amortization



DMI Housing Finance Private Limited

Notes to financial statements for the year ended 31st March 2020

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 and 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 Rs. 5,000/- or less are fully depreciated in the year of installation/purchase.



DMI Housing Finance Private Limited
Notes to financial statements for the year ended 31st March 2020

Amortization

Intangible assets are amortized on a WDV 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 effect 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 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.



DMI Housing Finance Private Limited
Notes to financial statements for the year ended 31st March 2020

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 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

Minimum Alternate Tax (MAT)

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which during the specific period gives future economic benefits in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is highly probable that future economic benefits associated with it will flow to the company.

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.



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Notes to financial statements for the year ended 31st March 2020

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

(i) 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.

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 '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.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: impairment of financial assets (refer note 5).



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). 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 and Mutual funds

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

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

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.



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- 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:

- 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.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

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

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

Stage I

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

Stage II

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

Stage III

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts



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is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

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

Methodology for calculating ECL

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

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

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

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

Forward looking information

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

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

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

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.

For loan commitments, the ECL is recognised within Provisions.



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Notes to financial statements for the year ended 31st March 2020

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 Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

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

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement).

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments - Include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

(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.



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Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. In millions, except for share data unless stated otherwise)

4 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Cash in hand	0.10	0.17
Balance with banks		
In Current accounts	730.81	518.77
	<u>730.91</u>	<u>518.94</u>
Total	<u><u>730.91</u></u>	<u><u>518.94</u></u>

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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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5 Loans

At amortised cost	As at March 31, 2020	As at March 31, 2019
Term Loan	7,009.19	4,209.72
Total (A) Gross	7,009.19	4,209.72
Less: Impairment loss allowance	39.57	14.35
Total (A) Net	6,969.62	4,195.37
Secured by tangible assets and intangible assets Covered by Bank/Government Guarantees	7,009.19	4,209.72
Unsecured		
Total (B) Gross	7,009.19	4,209.72
Less: Impairment loss allowance	39.57	14.35
Total (B) Net	6,969.62	4,195.37
Loans in India		
Public Sector	-	-
Others	7,009.19	4,209.72
Total (C) Gross	7,009.19	4,209.72
Less: Impairment loss allowance	39.57	14.35
Total (C-I) Net	6,969.62	4,195.37
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C-II) Net	-	-
Total (C-I) and (C-II)	6,969.62	4,195.37

- i) Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets.
- ii) Loans sanctioned but un-disbursed amount is Rs. 907.95 Mn as on March 31, 2020 (2019- Rs. 1038.29 Mn)
- iii) The Company has granted certain loans to staff amounting to Rs. 8.46 Mn as on March 31, 2020 (2019- Rs. 3 Mn)



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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in millions, except for share data unless stated otherwise)

5(a) Impairment allowance for loans and advances to customers

Summary of loans by stage distribution is as follows:

Particulars	March 31, 2020							
	Housing & LAP				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	6,674.15	41.43	15.94	6,731.52	277.67	-	-	277.67
Less: Impairment Loss Allowance	19.90	0.79	15.94	36.63	2.94	-	-	2.94
Net Carrying Amount	6,654.25	40.64	0.00	6,694.89	274.73	-	-	274.73

Particulars	March 31, 2019							
	Housing & LAP				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	3,937.44	28.52	4.09	3,970.05	242.72	0.81	-	243.53
Less: Impairment Loss Allowance	10.54	0.51	2.07	13.12	1.21	0.02	-	1.23
Net Carrying Amount	3,926.90	28.01	2.02	3,956.93	241.51	0.79	-	242.30

Summary of Credit Substitutes by stage distribution is as follows:

Particulars	March 31, 2020			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	942.83	-	0.54	943.37
Less: Impairment Loss Allowance	9.90	-	0.54	10.44
Net Carrying Amount	932.93	-	-	932.93

Particulars	March 31, 2019			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	134.63	-	-	134.63
Less: Impairment Loss Allowance	0.66	-	-	0.66
Net Carrying Amount	133.97	-	-	133.97

An analysis of changes in the gross carrying amount is as follows:

Particulars	March 31, 2020							
	Housing & LAP				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,937.44	28.52	4.09	3,970.05	242.72	0.81	-	243.53
Disbursements	3,596.66	-	-	3,596.66	220.50	-	-	220.50
Repayments	(827.79)	(3.31)	(4.09)	(835.19)	(186.01)	(0.35)	-	(186.36)
Transfers from Stage 1	(37.43)	27.95	9.48	-	-	-	-	-
Transfers from Stage 2	5.27	(11.73)	6.46	-	0.46	(0.46)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	6,674.15	41.43	15.94	6,731.52	277.67	-	-	277.67

An analysis of changes in the gross carrying amount is as follows:

Particulars	March 31, 2019							
	Housing & LAP				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,678.49	18.26	2.23	1,698.98	1.80	-	-	1.80
Disbursements	2,648.16	-	-	2,648.16	268.91	-	-	268.91
Repayments	(371.17)	(5.67)	(0.25)	(377.09)	(27.18)	-	-	(27.18)
Transfers from Stage 1	(27.57)	25.32	2.25	(0.00)	(0.81)	0.81	-	-
Transfers from Stage 2	7.50	(9.39)	1.89	0.00	-	-	-	-
Transfers from Stage 3	2.03	-	(2.03)	-	-	-	-	-
Gross carrying amount closing balance	3,937.44	28.52	4.09	3,970.05	242.72	0.81	-	243.53



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An analysis of changes in the gross carrying amount of investments in relation to Credit Substitutes is, as follows:

Particulars	March 31, 2020			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	134.63	-	-	134.63
New Assets originated (net)	808.74	-	-	808.74
Transfers from Stage 1	(0.54)	-	0.54	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	942.83	-	0.54	943.37

Particulars	March 31, 2019			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	14.78	-	-	14.78
New Assets originated (net)	119.85	-	-	119.85
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	134.63	-	-	134.63

An analysis of changes in the ECL allowances in relation to Loans & advances is, as follows:

Particulars	March 31, 2020							
	Housing & LAP				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	10.54	0.51	2.07	13.12	1.21	0.02	-	1.23
ECL on assets added/ provision created	26.82	-	-	26.82	2.59	-	-	2.59
Assets derecognised or repaid(including write offs/ Write back)	(1.02)	(0.22)	(2.07)	(3.31)	(0.88)	-	-	(0.88)
Transfers from Stage 1	(16.46)	6.98	9.48	-	-	-	-	-
Transfers from Stage 2	0.02	(6.48)	6.46	-	0.02	(0.02)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL allowance closing balance	19.90	0.79	15.94	36.63	2.94	-	-	2.94

Note: Increase in ECL is majorly attributable to increase in the portfolio and classification of loans from Stage I to Stage III due to deterioration in general economic conditions.

Particulars	March 31, 2019							
	Housing & LAP				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	4.66	0.26	1.12	6.04	0.07	-	-	0.07
ECL on assets added/ provision created	6.87	-	-	6.87	1.26	-	-	1.26
Assets derecognised or repaid(including write offs/ Write back)	(0.94)	(0.08)	(0.11)	(1.13)	(0.12)	-	-	(0.12)
Transfers from Stage 1	(0.07)	0.47	1.12	1.52	-	0.02	-	0.02
Transfers from Stage 2	0.02	(0.14)	0.95	0.83	-	-	-	-
Transfers from Stage 3	-	-	(1.01)	(1.01)	-	-	-	-
ECL allowance closing balance	10.54	0.51	2.07	13.12	1.21	0.02	-	1.23

Note: Increase in ECL is majorly attributable to increase in the portfolio.

An analysis of changes in the ECL allowances of investment in relation to Credit Substitutes is, as follows:

Particulars	March 31, 2020			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	0.66	-	-	0.66
ECL on assets added/ provision created	9.80	-	-	9.80
Assets derecognised or repaid(including write offs/ Write back)	(0.02)	-	-	(0.02)
Transfers from Stage 1	(0.54)	-	0.54	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance closing balance	9.90	-	0.54	10.44

Note: Increase in ECL is majorly attributable to increase in the portfolio and classification of loans from Stage I to Stage III due to deterioration in general economic conditions.



Particulars	March 31, 2019			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	0.07	-	-	0.07
ECL on assets added/ provision created	0.60	-	-	0.60
Assets derecognised or repaid(including write offs/ Write back)	(0.01)	-	-	(0.01)
Transfers from Stage 1	-	-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance closing balance	0.66	-	-	0.66

Note: Increase in ECL is majorly attributable to increase in the portfolio.

5(b) Impairment assessment

The Company pursuant to RBI circular dated March 27, 2020 has passed a policy by circular resolution dated 31 March 2020 to grant moratorium to all its borrowers which were less than 90 days past due as on March 1, 2020. As per the policy, the day past due status of the borrowers as on the date of implementation of the moratorium shall continue. The Company has not considered such extension of moratorium to borrowers by itself to have resulted in significant increase in credit risk.

5(c) 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 recognised because of collateral at March 31, 2020. There was no change in the Company's collateral policy during the year.

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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in millions, except for share data unless stated otherwise)

6 Investments

	At Fair Value		Total
	Amortised Cost	Through profit or loss	
As at March 31, 2020			
Mutual funds	-	2,376.26	2,376.26
Credit substitutes*	943.37	-	943.37
Total (A)	943.37	2,376.26	3,319.63
Investments outside India			
Investments in India	-	-	-
Total (B)	943.37	2,376.26	3,319.63
Total (A) to tally with (B)	943.37	2,376.26	3,319.63
Less: Allowance for Impairment loss (C)**	10.44	-	10.44
Total Net D = (A) - (C)	932.93	2,376.26	3,309.19
As at March 31, 2019			
Mutual funds	-	1,261.98	1,261.98
Credit substitute	134.63	-	134.63
Total (A)	134.63	1,261.98	1,396.61
Investments outside India			
Investments in India	-	-	-
Total (B)	134.63	1,261.98	1,396.61
Less: Allowance for Impairment loss (C)	0.66	-	0.66
Total Net D = (A) - (C)	133.97	1,261.98	1,395.95

* Investments are carried at amortized cost less impairment loss allowance

** Please refer Note 5(a) for movement of ECL and Gross carrying amount of credit substitutes.

7 Other financial assets (at amortised cost)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security Deposit	2.92	2.79
Others	7.59	3.56
Total	10.51	6.35



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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8(a) Property, plant and equipment

	Lease Hold Improvements	Computers and printers	Furniture and fixtures	Office equipment	Total
Cost					
At March 31, 2018	14.75	4.50	0.35	4.30	23.90
Purchase	22.69	6.78	1.66	2.09	33.22
Disposals	(0.61)	-	-	-	(0.61)
At March 31, 2019	36.83	11.28	2.01	6.39	56.51
Purchase	30.73	4.16	0.57	0.29	35.75
Disposals	(3.80)	-	-	-	(3.80)
At March 31, 2020	63.76	15.44	2.58	6.68	88.46
Depreciation					
At March 31, 2018	1.81	2.28	0.11	1.65	5.85
Charge for the year	4.63	3.13	0.31	2.06	10.13
Disposals	(0.25)	-	-	-	(0.25)
At March 31, 2019	6.19	5.41	0.42	3.71	15.73
Charge for the year	6.84	4.66	0.52	1.33	13.35
Disposals	(1.00)	-	-	-	(1.00)
At March 31, 2020	12.03	10.07	0.94	5.04	28.08
Net Block					
At March 31, 2019	30.64	5.87	1.59	2.68	40.78
At March 31, 2020	51.73	5.37	1.64	1.64	60.38

8(b) Intangible assets under development:

During the year the company has spent Rs.12.16 Mn on intangible assets under development.

8(c) Other Intangible assets

Intangible assets	Software	Total
At March 31, 2018	1.45	1.45
Purchase	-	-
Disposals	-	-
At March 31, 2019	1.45	1.45
Purchase	0.15	0.15
Disposals	-	-
At March 31, 2020	1.60	1.60
Amortization		
At March 31, 2018	0.54	0.54
Charge for the year	0.27	0.27
At March 31, 2019	0.81	0.81
Charge for the year	0.27	0.27
At March 31, 2020	1.08	1.08
Net block		
At March 31, 2019	0.64	0.64
At March 31, 2020	0.52	0.52



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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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9 Other non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	1.99	3.12
Current available	12.19	14.11
Other Recoverable	5.35	2.35
Total	19.53	19.58

10 Assets Held For Sale

Particulars	As at March 31, 2020	As at March 31, 2019
Assets held for sale (refer note 10(a))	-	3.86
Total	-	3.86

10 (a) Assets Obtained by taking possession of collateral

The company obtained the following assets during the year by taking possession of collateral held as security against loans and advances and held at the year end. The company's policy is to realise the collateral on a timely basis.

Particulars	As at March 31, 2020	As at March 31, 2019
Properties	-	3.86
Total assets obtained by taking possession of collateral	-	3.86

11 Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5.32	4.49
Total	5.32	4.49

* Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

(a) An amount of Nil and Nil was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.

(b) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.

(c) No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006

(d) No interest was accrued and unpaid at the end of the accounting year.

(e) No further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

12 Debt Securities

At amortised cost	As at March 31, 2020	As at March 31, 2019
Unsecured		
Non-convertible debentures	4,966.00	-
Total gross (A)	4,966.00	-
Debt securities in India	4,966.00	-
Debt securities outside India	-	-
Total (B)	4,966.00	-



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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13 Borrowings (Other Than Debt Securities)

At amortised cost	As at March 31, 2020	As at March 31, 2019
Secured*		
Term loans (refer note 13.4 & 13.5)		
From Banks (Refer note 13.1)	256.30	318.21
Others		
Cash Credit (refer note 13.2)	-	148.72
Lease Liability	28.02	-
Total gross (A)	284.32	466.93
Borrowings in India	284.32	466.93
Borrowings outside India	-	-
Total (B)	284.32	466.93

* Secured against exclusive floating charge by way of hypothecation lending book/ receivables of the Company.

13.1 Changes in liabilities arising from financing activities

Particulars	As at			As at
	March 31, 2019	Cash flows	Other	March 31, 2020
Debt securities	-	4,966.00	-	4,966.00
Borrowings	466.93	(210.51)	(0.12)	256.30
Total	466.93	4,755.49	(0.12)	5,222.30

Particulars	As at			As at
	March 31, 2018	Cash flows	Other*	March 31, 2019
Debt securities	179.66	-	(179.66)	-
Borrowings	582.86	(116.82)	0.89	466.93
Total	762.52	(116.82)	(178.77)	466.93

*This represents liability component of CCPS issued during the year and Interest accrued on CCPS. For borrowings it represents unamortised transaction costs.



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DMH Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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13.2 Terms of repayment of long term borrowings (Other Than Debt Securities) outstanding as at March 31, 2020

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 installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	
Monthly repayment schedule Development Credit Bank	9.75%	12	15.38	12	15.38	12	15.38	12	15.38	4	5.15	-	-	66.67
Quarterly repayment schedule State Bank of India	11.05%	4	30.80	4	30.80	4	30.80	4	30.80	1	7.33	-	-	130.53
South Indian Bank	10.30%	4	15.40	4	15.40	4	15.40	4	15.20	-	-	-	-	61.40
		20	61.58	20	61.58	20	61.58	20	61.38	5	12.48	-	-	258.60
EIR Adjustment														(2.30)
TOTAL														256.30

13.3 Terms of repayment of long term borrowings (Other Than Debt Securities) outstanding as at March 31, 2019

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 installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	
Monthly repayment schedule Development Credit Bank	9.05%	12	15.38	12	15.38	12	15.38	12	15.38	12	15.38	4	5.15	82.05
Quarterly repayment schedule State Bank of India	9.90%	4	30.80	4	30.80	4	30.80	4	30.80	4	30.80	1	7.50	161.50
South Indian Bank	9.95%	4	15.40	4	15.40	4	15.40	4	15.40	4	15.24	-	-	76.84
		20	61.58	20	61.58	20	61.58	20	61.58	20	61.42	5	12.65	320.39
EIR Adjustment														(2.18)
TOTAL														318.21

13.4 Terms of repayment of Debt Securities Outstanding as on March 31, 2020 (Nil-March 31, 2019)

Original maturity of NCD	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 installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	
DMI Alternative Investment Fund	10.60%	-	1,500.00	-	-	-	-	-	-	-	-	-	-	1,500.00
DMI Income Fund PTE Ltd	8.50%	-	-	-	-	-	-	-	3,466.00	-	-	-	-	3,466.00
TOTAL														4,966.00

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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in millions, except for share data unless stated otherwise)

14 Other financial liabilities (at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due		
From Bank Term Loan	1.22	1.36
Employee payables	0.28	0.18
Other financial liabilities	66.27	15.31
Others	225.40	370.51
	293.17	387.36

15 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Leave avallment	10.06	6.23
Gratuity	6.67	2.87
ECL on undrawn loan commitment	2.74	5.14
	19.47	14.24

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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in millions, except for share data unless stated otherwise)

16 Tax Expenses

The major components of Income tax expense for the year ended March 31, 2020

Recorded in Statement of Profit & Loss Account	Year ended	Year ended
	March 31, 2020	March 31, 2019
Current income tax:		
Current income tax charge	87.64	21.59
Adjustments in respect of current income tax of previous year		
Deferred tax:		
Relating to origination and reversal of temporary differences	(11.16)	(8.59)
Income tax expense reported in the statement of profit or loss	76.48	13.00
Recorded in OCI		
Deferred tax related to items recognised in OCI during the year:		
	March 31, 2020	March 31, 2019
Actuarial gain on gratuity	(0.08)	0.02
Income tax charged to OCI	(0.08)	0.02

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020:

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
Profit before tax	307.59	26.53
At corporate tax rate of 25.17% (Previous year 27.82%)	77.42	7.94
Expenditure disallowed	5.05	14.32
Income not subject to tax	(1.25)	(8.91)
Deductions	(4.65)	-
Impact due to revaluation of deferred tax due to change in Income tax rate*	(0.09)	(0.35)
Tax expense (effective tax rate of 25.70%, Previous year 22.36%)	76.48	13.00

* Company opted for reduced corporate tax rate of 25.17% as per recently inserted section 115BAA of the Income Tax Act, 1961 during the year ended 31 March 2020.

Deferred Tax Liabilities / (assets)	As at March 31, 2020	As at March 31, 2019
Deferred tax liability		
Unrealized gain on mutual fund	(9.51)	(6.91)
Unamortized Fee/DSA/ Incentive Impact	(2.88)	(4.08)
Gross deferred tax liability	(6.39)	(10.99)
Deferred tax asset		
Expected credit loss (ECL)	8.63	5.61
Provision for gratuity and Leave avallment	4.21	2.53
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	3.02	1.32
CCPS interest expense impact	-	13.89
Others	0.84	0.61
Gross deferred tax asset	16.70	23.96
Net Deferred Tax Asset/(Liability)	10.31	12.97

17 Other Non-financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues Payable	11.55	10.88
Employee related statutory dues	1.46	1.31
Provision for Expenses	41.67	32.14
Total	54.68	44.33



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. In millions, except for share data unless stated otherwise)

18 Equity share capital

Details of authorized, issued, subscribed and paid up share capital

	As at March 31, 2020	As at March 31, 2019
Authorized share Capital		
860,000,000 (31 March, 2019 - 860,000,000) Equity Shares of Rs. 10/- each	8,600.00	8,600.00
140,000,000 (31 March, 2019 - 140,000,000) Compulsorily Convertible Preference Shares of Rs. 10/- each	1,400.00	1,400.00
	10,000.00	10,000.00
Issued & Subscribed Capital		
Fully Called-up and Paid Up capital		
482,482,097 (31 March, 2019- 531,972,997) Equity shares of Rs. 10/- each	4,824.82	4,824.46
187,150 (31 March, 2019 - 187,150) Class A Equity shares of Rs. 10/- each	1.87	0.94
Partly Called-Up and Paid Up capital		
49,490,900 (31 March, 2019- Nil) Equity shares of Rs. 10/- each	2.72	-
Total	4,829.41	4,825.40

18.1 The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year.

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of year	48,25,39,166	4,825.40	1,90,30,583	190.31
Add:				
Equity Share Allotted during year				
Shares Issued during the year-Fully Paid	36,563	0.36	32,77,51,601	3,277.52
Shares Issued during the year-Partly Paid	4,94,90,900	2.72		
Shares Issued under Class A	93,518	0.93	62,422	0.62
Shares Issued pursuant to conversion of compulsorily convertible preference share	-	-	13,56,94,560	1,356.95
Equity share at the end of year	53,21,60,147	4,829.41	48,25,39,166	4,825.40

The company has two class of equity shares (i) ordinary equity shares (ii) Class A equity shares both having par value of Rs.10 per share.

Ordinary Equity Shares- Each holder of ordinary equity shares is entitled to one vote per share and right to dividend. during the year the company has issued Partly called-Up shares 49,490,900 @ RS.0.06 per share.

Class A Equity Shares - Class A equity share shall mean equity shares with differential voting and dividend rights which shall be entitled to voting right, dividends and distributions in the assets of the Company in the proportion that it would have been entitled to if it had been issued as an ordinary equity share in the Fully Diluted Equity Capital of the Company.

The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

18.2 Shares held by holding Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	46,04,42,315	86.52%	45,82,12,559	94.96%
Total	46,04,42,315	86.52%	45,82,12,559	94.96%

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, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	46,04,42,315	86.52%	45,82,12,559	94.96%
DMI Finance Private Limited	-	-	2,42,32,977	5.02%
K2VZ*	4,94,90,900	9.30%	-	-
Total	50,99,33,215	95.82%	48,24,45,536	99.98%

*Equity shares issued on partly-paid up basis (tranche-wise) where subscription amount being received on allotment stands at 30,59,527 (Face Value Rs. 10/- per share and Premium value @ Rs.1.24 per share) calculated proportionately, balance of Rs.55,32,18,189/- (i.e. Face value and Share premium) is yet to be received.

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 For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 28



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19 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Share Premium Account	442.99	442.52
Special reserve u/s 29C of The National Housing Bank Act, 1987 read with 36 (1) (viii) of Income tax Act, 1961*	61.54	15.36
Share Based Payment Reserve	15.40	5.78
Retained earnings	164.86	(19.86)
Total	684.79	443.80

* Section 29C (i) of The National Housing Bank Act, 1987 defines 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. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of Rs.46.17 mn (2019- Rs.10.85 mn) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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20 Interest Income

Particulars	Year ended March 31, 2020		Year ended March 31, 2019			
	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest Income on financial assets classified at fair value through profit and loss	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest Income on financial assets classified at fair value through profit and loss
Interest on Loans		848.02			368.09	
Interest on deposits with Banks		20.66			9.93	
		868.68			378.02	

21 Fees and commission income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other fee Income	16.49	7.42
	16.49	7.42

22 Net gain/(loss) on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain/(loss) on financial instruments at fair value through profit and loss		
1) On trading portfolio Investments	43.40	42.06
Total Net gain/(loss) on fair value changes	43.40	42.06
Fair value changes		
Realised	54.30	17.23
Unrealised	(10.90)	24.83
Total Net gain/(loss) on fair value changes	43.40	42.06

23 Finance Costs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost
Interest on borrowings		160.41		88.65
Other Finance Cost		0.81		2.00
Total		161.22		90.65

24 Impairment on financial instruments

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial Instruments measured at fair value through OCI	On financial Instruments measured at Amortised cost	On financial Instruments measured at fair value through OCI	On financial Instruments measured at Amortised cost
Investments		9.78		0.59
Loans Assets		22.87		11.81
Total		32.65		12.40



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
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25 Employee Benefits Expenses

Particulars	Year ended March	
	31, 2020	31, 2019
Salaries and wages	280.58	164.16
Contribution to provident and other funds	9.38	6.09
Share Based Payments to employees	5.59	2.18
Staff welfare expenses	11.65	14.43
Total	307.20	186.86

Earned Leave Plans

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. As per company's policy earned leave entitlement will be calculated at CTC.

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

	Year ended March	
	31, 2020	31, 2019
Current service cost	5.24	4.36
Interest cost	0.48	0.14
Net remeasurement (gain) / loss recognized in the year	(1.41)	0.29
Net expense	4.31	4.79

Remeasurement (gains)/ loss recognized in Profit & Loss account:

	Year ended March	
	31, 2020	31, 2019
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(2.78)	0.15
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	1.38	0.14
Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions	(0.01)	-
Remeasurement (gain) / loss arising during the year	(1.41)	0.29

Balance Sheet

Net defined benefit liability

	Year ended March	
	31, 2020	31, 2019
Present value of defined benefit obligation	10.06	6.23
Fair value of plan assets	-	-
Plan liability	10.06	6.23

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

	Year ended March	
	31, 2020	31, 2019
Opening defined benefit obligation	6.23	1.76
Current service cost	5.24	4.36
Interest cost	0.48	0.14
Benefits paid during the year	(0.47)	(0.33)
Remeasurement (gain)/loss on obligation	(1.41)	0.29
Closing defined benefit obligation	10.07	6.23

The principle assumptions used in determining gratuity obligations for the Company are shown below:

	Year ended March	
	31, 2020	31, 2019
Discount rate	6.75%	7.66%
Salary escalation rate	6.00%	6.00%
Employee Turnover	age upto 30 = 3%	age upto 30 = 3%
	age 31-44 = 2%	age 31-44 = 2%
	age above 44 = 1%	age above 44 = 1%

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



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Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
a) Effect of 0.50% change in assumed discount rate		
- 0.50% Increase		(0.49)
- 0.50% decrease	0.89	0.54
(b) Effect of 0.50% change in assumed salary escalation rate		
- 0.50% Increase		0.55
- 0.50% decrease	0.89	(0.50)

The following payments are expected contributions to the defined benefit plan in future years:

Expected payment for future years	31-Mar-20	31-Mar-19
0 to 1 Year		0.15
1 to 2 Year	0.22	0.03
2 to 3 Year	0.21	0.01
3 to 4 Year	0.20	0.05
4 to 5 Year	0.19	0.20
5 to 6 Year	0.18	0.30
6 Year onwards	0.18	5.49
Total expected payments	8.89	6.23

Gratuity and Other Retirement Benefit Plans

The 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

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost		
Interest cost	3.29	1.84
Net expense	0.22	0.08
	<u>3.51</u>	<u>1.92</u>

Remeasurement (gain)/ loss recognised in other comprehensive income:

	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(0.55)	(0.12)
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	0.85	0.05
Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions	(0.00)	-
Remeasurement (gain) / loss arising during the year	0.30	(0.08)



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
 (All amount in Rs. in millions, except for share data unless stated otherwise)

Balance Sheet

Net defined benefit liability

	Year ended March 31, 2020	Year ended March 31, 2019
Present value of defined benefit obligation	6.68	2.87
Fair value of plan assets	-	-
Plan liability	6.68	2.87

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

	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	2.87	1.03
Current service cost	3.29	1.84
Interest cost	0.22	0.08
Benefits paid during the year	-	-
Remeasurement (gain)/loss on obligation	0.30	(0.08)
Closing defined benefit obligation	6.68	2.87

The principle assumptions used in determining gratuity obligations for the Company are shown below:

	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.76%	7.66%
Salary escalation rate	6.00%	6.00%
Employee Turnover	age upto 30 = 3% age 31-44 = 2% age above 44 = 1%	age upto 30 = 3% age 31-44 = 2% age above 44 = 1%

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

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
a) Effect of 0.50% change in assumed discount rate		
- 0.50% increase	(0.55)	(0.23)
- 0.50% decrease	0.61	0.26
(b) Effect of 0.50% change in assumed salary escalation rate		
- 0.50% increase	0.62	0.26
- 0.50% decrease	(0.56)	(0.24)

The following payments are expected contributions to the defined benefit plan in future years:

Expected payment for future years	31-Mar-20	31-Mar-19
0 to 1 Year	0.02	0.01
1 to 2 Year	0.05	0.00
2 to 3 Year	0.08	0.02
3 to 4 Year	0.12	0.04
4 to 5 Year	0.12	0.05
5 to 6 Year	0.12	0.21
6 Year onwards	6.18	2.59
Total expected payments	6.69	2.86



DMI Housing Finance Private Limited
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26 Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Credit rating fee	1.22	0.87
Legal and professional fees	29.71	25.41
Audit fee	1.39	0.91
Goods & Service tax written off	11.05	5.36
Subscription and license fees	4.71	5.16
Rates and taxes	0.52	24.45
CSR Expense	0.25	-
Business promotion	3.08	1.96
Repairs and maintenance others	3.05	0.75
Travelling expenses	14.18	7.81
Electricity expense	2.86	1.93
Office running and maintenance expenses	9.16	6.06
Communication expense	6.97	2.87
Amortisation of add on cost on non-convertible debentures	0.28	-
Rent	4.54	11.48
Printing and stationery	3.57	3.51
Miscellaneous expenses	0.19	0.13
Total	96.73	98.68

26(a) Auditor's remuneration

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
For statutory audit	0.84	0.75
For tax audit	0.06	0.06
For certification	0.45	0.10
For reimbursements	0.04	-
	1.39	0.91

27 Earning per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
-------------	------------------------------	------------------------------

Following reflects the profit and share data used in EPS computations:

Basic		
Weighted average number of equity shares for computation of Basic EPS (In Rs.)	482.63	235.94
Net profit for calculation of basic EPS	231.11	15.53
Basic earning per share (In Rs.)	0.48	0.07
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (In Rs.)	482.63	235.94
Net profit for calculation of Diluted EPS (In Rs.)	231.11	15.53
Diluted earning per share (In Rs.)	0.48	0.07
Nominal value of equity shares (In Rs.)	10.00	10.00



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DMI Housing Finance Private Limited
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28. Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for the Group employees - DMI HFC ESOP PLAN 2019 ("Plan"). Details of all grants in operation during the year ended March 31, 2020 are as given below:

Scheme Name	DMI HFC ESOP Plan 2018	DMI HFC Retention Plan, 2018	DMI ESOP Plan 2019	DMI ESOP Plan Management
Date of grant	18-Mar-18	01-Apr-18	01-Apr-19	01-Oct-18
Date of Board / Compensation Committee approval	16-Mar-18	01-Apr-18	11-Sep-19	01-Oct-18
Number of Options granted	3,49,316	8,25,358	18,71,876	26,33,803
Method of settlement	Shares	Shares	Shares	Shares
Graded vesting period *	See Below	See Below	See Below	See Below
First vesting date	18-Mar-19	01-Apr-19	01-Apr-20	01-Oct-19
Exercise period **	5 years	5 years	5 years	5 years
Vesting conditions	As per Plan	As per Plan	As per Plan	As per Plan
Exercise price per option	10.68	10.72	10.94	10.72
Stock price on the date of grant	10.68	10.72	10.94	10.72

* 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.

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

II. Reconciliation of options

31-MAR-2020	DMI ESOP Plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan 2019	DMI ESOP Plan Management
Options outstanding at the beginning of the year	3,49,316	8,36,626	-	31,54,930
Granted during the year	-	-	18,71,876	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	11,268	-	5,21,127
Outstanding at the end of the year	3,49,316	8,25,358	18,71,876	26,33,803
Weighted average remaining contractual life (in years)	3	3	4	4

31-MAR-2019	DMI ESOP Plan 2018	DMI Retention Plan, 2018	DMI ESOP Plan 2019	DMI ESOP Plan Management
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	3,49,316	8,36,626	-	31,54,930
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	3,49,316	8,36,626	-	31,54,930
Weighted average remaining contractual life (in years)	3.97	4.0	-	4.50

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 ESOP Plan 2019	DMI ESOP Plan Management
Fair Market Value	10.68	10.72	10.94	10.93
Volatility	15%	15%	30%	15%
Risk free Rate	6%	8%	7%	8%
Dividend Yield	0%	0%	0%	0%
Exercise Price	10.68	10.72	10.94	10.72
Option Fair Value	3.08	3.55	4.45	3.69

Employees of the Company were entitled to shares of DMI Housing Finance Private Limited under an equity-settled share-based compensation plan. Details of these plans are given below.

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 5 years from the date they are granted and vest over three year 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 2020 amounts to Rs.5.59 Mn (previous year Rs. 1.18 Mn).



DMI Housing Finance Private Limited
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29 Segment Information

The Company has only one reportable business segment, i.e. lending to borrowers, which have similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The company operates in a single geographical segment i.e. domestic.

30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2020 and March 31, 2019, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

31 The Company does not have any pending litigation as on March 31, 2020 and March 31, 2019.

32 Commitments and contingencies

There is no contingent liability as on March 31, 2020 and March 31, 2019.

33 Related party

a. Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures" (with whom there were transactions during the year)

1. Entities where control exists:

Holding Company

DMI Limited

2. Directors

Mr. Yuvraja Chanakya Singh
Mr. Shilvashish Chatterjee
Mr. Gaurav Burman
Mr. Tamer Amr

3. Fellow subsidiaries

DMI Consumer Credit Private Limited
DMI Finance Private Limited

4. Enterprises owned or significantly influenced by Management personnel or their relatives

K2VZ, Partnership Firm

b. The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

1. Shares issued/ sold during the year to (from) related party

Equity Share Capital		March 31, 2020	March 31, 2019
DMI Limited			
Issue of equity shares			
Securities premium received		22.30	3,277.52
		2.10	304.81
K2VZ, Partnership Firm			
Issue of equity shares			
Securities premium received		2.72	-
		0.34	-
Compulsorily Convertible Preference Share Capital		March 31, 2020	March 31, 2019
DMI Finance Private Limited			
Issue of CCPS			
Securities premium received		-	47.95
		-	35.47

2. Other Transactions

Name of related party	Nature of transactions	March 31, 2020			March 31, 2019			
		Amount received	Amount paid	Outstanding balance	Opening balance	Amount received	Amount paid	Outstanding balance
DMI Finance Private Limited	Rent	-	3.96	-	-	-	3.96	-
	Resource sharing fee	-	60.48	-	-	-	9.27	-
	Interest on loan	-	-	-	-	-	-	9.01
	Loan taken	-	-	-	-	430.00	-	-
	Purchase of assets	-	-	-	-	-	240.55	-
	Reimbursement of expenses	-	0.98	-	-	-	-	-
	Other assets through ESOP	3.92	-	7.40	3.48	-	-	3.48



DMI Housing Finance Private Limited
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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.

(ii) Regulatory Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Tier 1 CRAR	78.62%	131.29%
Tier 2 CRAR	0.49%	0.49%
Total CRAR	79.11%	132.28%

Please refer Note 42 for CRAR.

35 Financial risk management objectives and policies

The Company's Principal financial liabilities comprise borrowings. 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, interest rate risk.

(A) Liquidity risk

Liquidity Risk refers to the risk that the company can not meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business resultantly may face an Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below provides a maturity analysis of undiscounted cash flows for financial assets and liabilities.

31-Mar-20	upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	730.91								
Loans	92.04	98.37	95.59	294.99	593.75	2,329.39	2,216.37	12,304.00	730.91
Investments	3,302.24	5.16	137.86	15.19	82.64	13.26			18,024.50
Other financial assets									3,556.35
Financial liabilities								10.51	10.51
Trade Payables	5.32								
Debt Securities	1,532.58	61.72	10.96	74.05	147.78	589.22	3,749.86		5.32
Borrowings (other than Debt Securities)	3.49	3.25	14.73	20.88	40.62	148.71	78.78		6,166.17
Other financial liabilities	293.17								310.46
									293.17



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31-Mar-19	upto 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	148.42	-	-	-	-	-	-	-	148.42
Loans	81.77	84.99	88.55	228.44	384.48	1,336.72	1,325.32	7,190.62	10,720.89
Investments	1,263.96	1.93	2.08	5.92	18.51	111.85	36.24	-	1,440.49
Other financial assets	-	-	-	-	-	-	-	-	-
Financial liabilities									
Trade Payables	4.49	-	-	-	-	-	-	2.79	2.79
Debt Securities	-	-	-	-	-	-	-	-	4.49
Borrowings (other than Debt Securities)	152.55	3.91	15.37	22.82	44.44	162.68	138.63	12.85	553.25
Other financial liabilities	16.85	-	-	-	-	-	-	-	16.85

(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 NPAs. 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 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 analysed 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

(C) Analysis of risk concentration

For the Company's housing loan portfolio, the Company's concentrations of risk are managed by counterparty and type of loan (i.e. housing and non housing as defined by NHB). Housing and non-housing loans are given to both individual and corporate borrowers. The table below shows the concentration of risk by type of loan.

Contractual amount of Loans			March 31, 2020	March 31, 2019
	Housing		6,315.89	3,498.05
	Non-Housing		653.73	697.32
			6,969.62	4,195.37

The following table shows the risk concentration by industry for the financial assets of the company, other than its housing loan portfolio:

31-Mar-20	Financial services	Real Estate	Others	Total
Financial asset				
Cash and cash equivalents	-	-	-	-
Investments	730.91	-	-	730.91
Other financial assets	932.93	-	-	932.93
	-	-	10.51	10.51

31-Mar-19	Financial services	Real Estate	Others	Total
Financial asset				
Cash and cash equivalents	-	-	-	-
Investments	518.94	-	-	518.94
Other financial assets	133.97	-	-	133.97
	-	-	6.35	6.35

(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, credit, liquidity 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 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 yearically for assessment of interest rate risks.



DMI Housing Finance Private Limited
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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 variable 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

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

Particulars	2020	2019
Finance Cost		
0.50% Increase	(7.92)	(1.79)
0.50% Decrease	7.92	1.79
Advances		
0.50% Increase	30.97	158.14
0.50% Decrease	(30.97)	(158.14)

Equity Price Risk

Equity price risk is the risk that the fair value of equity changes as the result of changes in the level of equity indices and individual stocks. A 10% increase in the fair value of the Company's FVTPL Instruments as at 31st March 2020 would have increase equity by Rs.237.63 Mn (FY 2018-19 Rs. 126.20 Mn). An equivalent decrease would have resulted in an equivalent but opposite impact.

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C.F.



DMH Housing Finance Private Limited
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36 Ind AS 116 : Leases

Company as a lessee

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

The Company has adopted Ind AS 116 – Leases from April 1, 2019 and applied it to all lease contracts existing as on April 1, 2019 using the modified retrospective approach. Based on the same and as permitted under the specific transitional provision in the standard, the Company is not required to restate its comparative numbers.

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

Particulars	March 31, 2020
Balance at the beginning of the year	29.58
Additions made during the year	6.11
Depreciation charge for the year	(9.55)
Balance at the end of the year	26.14

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

Particulars	March 31, 2020
Balance at the beginning of the year	29.58
Additions made during the year	6.11
Interest accretion for the year	2.92
Payments made during the year	(10.59)
Balance at the end of the year	28.02

The effective interest rate for lease liabilities is 9.5%

The following are the amounts recognized in profit and loss:

Particulars	March 31, 2020
Depreciation expense in respect of right-of-use asset	9.55
Interest expense in respect of lease liabilities	2.92
Expense relating to short-term leases (Included on other)	4.54
Total amount recognised in profit or loss	17.01

The Company's total cash outflows for leases was Rs 15.14 mn during year ended March 31, 2020 (Rs.11.48 mn during the year ended March 31, 2019).

37 Additional information required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 NHB(ND)/DRS/REG/ MC-07/2018, 02 July, 2018 and Notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 read with NHB circular no. NHB(ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018 have been prepared on the basis of financial statements of the Company which have been prepared in accordance with accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with paragraph 7 of the Companies (Accounts) Rule 2014; the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the National Housing Bank to the extent applicable (previous GAAP), which have been presented solely based on the information compiled by the Management is given in Annexure 1.

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38 The outbreak of COVID-19 virus continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and local India's economic activities. The Company is mainly engaged in providing housing loans, loans against property to SMEs and MSMEs and project finance for real estate development. All of these segments will be significantly impacted by reduced income and/or job losses of the borrowers, reduced economic activities and delay in completion and sale of real estate projects due to the disruption caused by the pandemic. All these will lead to major cash flow constraints and erosion in the asset values.

To deal with this disruption and in accordance with RBI guidelines relating to CoVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the RBI, the Company has granted moratorium of three months on the payment of all instalments falling due between 1 March 2020 to 31 May 2020 to all eligible borrowers who have requested for the moratorium. The RBI via press release dated May 22, 2020 has permitted lending institutions to extend the moratorium by another three months, i.e., from June 1, 2020 to August 31, 2020. The Company will be providing option for extending the moratorium to its eligible borrowers' basis its approved board policy.

There were fewer loan disbursements during the lockdown period and the timeline for the resumption and normalization of the Company's lending activity will be affected by several factors including, but not limited to, including the pace of easing of the lockdown restrictions. An inherent part of the Company's business model is to raise borrowing for onward lending to its customers. The total borrowing of the Company as at 31 March 2020 are Rs.5,250.32 Mn. The Company has not sought moratorium in respect of its borrowing outstanding as on March 31, 2020. The management has performed a detailed assessment of its monthly cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations even though its monthly collections remain below normal due to continuation of lockdown.

In addition, the Company has also considered the following key matters in determining its liquidity position for the next 12 months:

- Stimulus packages of the Government of India, for small businesses, migrants, small farmers and poor who essentially comprise the customer base of the Company;
- Schemes announced by the Government of India, which will directly benefit Non-Banking Financial Companies through guarantees from the Government of India. The Company has evaluated these schemes and is considering applications to seek fund under the schemes;
- Current status / outcomes of discussions with the Company's lenders, seeking moratorium on the Company's debt service obligations to such lenders;
- Status of its requests for additional funding, from existing lenders as well as others.

The Company has recorded an expected credit loss provision of Rs.52.75 Mn at 31 March 2020 in respect of its loans and advance. In accordance with the guidance from ICAI, extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press conference, by itself is not considered to result in a SICR for a borrower. Given the unique nature and scale of the economic impact of this pandemic, the credit performance and repayment behaviour of the customers need to be monitored closely. The expected credit loss estimate is based on various highly uncertain and unobservable factors. In the event the impact of pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets, results of operation and the financial position of the Company.'

39 Disclosure on moratorium- Covid 19 regulatory package- Asset classification and provisioning for the year ended March 31, 2020 pursuant to the notification vide: DOR.NO. BP.BC.63/21.04.048/2019-20 dated April 17, 2020:

Particulars	Amount
(i) Respective amount in SMA/Overdue categories, where the moratorium was extended in terms of paragraph 2 and 3 of above mentioned RBI Circular.	103.72
(ii) Respective amount where asset classification benefits is extended.	20.13
(iii) Provisioning made during the quarter ended March 31, 2020 in terms of paragraph 5 of the above circular.	1.40
(iv) Provision adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-

Note: Numbers represents contractual cashflows.

40 Fair values

The management has assessed that the fair value of financial assets and financial liabilities measured at amortized cost 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.

Fair value hierarchy

The company's investments in mutual fund is the only financial asset measured at fair value through Profit & 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.



41 Maturity analysis of Assets and Liabilities

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	730.91		730.91	518.94		518.94
Loans	300.04	6,669.59	6,969.62	295.23	3,500.14	3,795.37
Investments	3,206.75	2.44	3,209.19	1,295.97	99.98	1,395.95
Other financial assets		10.51	10.51		6.35	6.35
Non-financial assets						
Current tax assets (net)						
Deferred tax assets (net)	14.04		14.04	6.01		6.01
Prepaid expense and equipment		10.31	10.31			
Intangible assets under development	9.30	51.08	60.38			
Other intangible Assets		22.16	22.16		40.78	40.78
Other non-financial assets	19.53	0.51	20.04		0.64	0.64
Assets held for sale			19.53	19.53		19.53
LIABILITIES AND EQUITY	4,380.57	6,756.60	11,137.16	1.80	4,047.89	6,187.48
LIABILITIES						
Financial liabilities						
Payables						
(i) Trade Payables						
Local companies and firms of creditors other than micro enterprises and small enterprises						
Debt Securities	5.32		5.32	4.49		4.49
Borrowings (other than Debt Securities)	1,500.00	3,466.00	4,966.00			
Other financial liabilities	99.71	214.61	284.32	210.50	256.63	466.93
Non-financial liabilities	293.17		293.17	387.36		387.36
Provisions						
Deferred tax liabilities (net)	2.98	16.50	19.47	5.30	8.94	14.24
Other Non-financial liabilities					0.93	0.93
Equity	54.68		54.68	44.33		44.33
Equity share capital		4,629.41	4,629.41	4,625.39		4,625.39
Other equity		684.79	684.79	443.61		443.61
	1,925.86	9,711.31	11,137.16	651.78	5,545.70	6,187.48

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 103049W/E300004
Chartered Accountants

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

per Chirag Jain
Partner
Membership No. 15381
Place:
Date:

MUMBAI

03 JULY 2020

[Signature]
Shantanu Mishra
Director
DIN: 02623460
Place: NEW DELHI
Date: July 3, 2020

[Signature]
Anurag Singh
Director
DIN: 02621129
Place: New Delhi
Date: July 3, 2020

[Signature]
Shripal Sahasrabudhe
[Company Secretary]
Membership No: A31180
Place: New Delhi
Date: July 3, 2020



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
 (All amount in Rs. in Crores, except for share data unless stated otherwise)

Annexure 1 to the financial statements for the year ended 31 March, 2020

The Company has been granted Certificate of Registration (No. 09.0102.12) to commence/carry on the business as a housing finance company without accepting public deposits by National Housing Bank on September 20, 2012.

Disclosure as required by National Housing Bank :

Additional information required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 NHB(ND)/DRS/REG/ MC-07/2018, 02 July, 2018 and Notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 read with NHB circular no. NHB(ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018 have been prepared on the basis of financial statements of the Company which have been prepared in accordance with accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with paragraph 7 of the Companies (Accounts) Rule 2014; the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the National Housing Bank to the extent applicable (previous GAAP), which have been presented solely based on the information compiled by the Management

1 Capital

Particulars	As at March 31, 2020	As at March 31, 2019
CRAR (%)		
CRAR - Tier I capital (%)	79.11%	132.28%
CRAR - Tier II capital (%)	78.62%	131.79%
Amount of subordinated debt raised as Tier- II Capital	0.49%	0.49%
Amount raised by issue of perpetual Debt Instruments	-	-

2 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		
Opening Balance		0.45
Additional during the year	1.54	
Appropriation during the year	5.00	1.09
Closing Balance	6.54	1.54

Particulars	As at March 31, 2020	As at March 31, 2019
Special Reserve u/s 29C of The National Housing Bank Act, 1987 read with section 36 (1) (viii) of Income Tax Act, 1961*		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into		
Total	1.53	0.45
Addition /Appropriation / Withdrawal during the year	1.53	0.45
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987 *		
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:	4.62	1.08
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		
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	6.15	1.53
	6.15	1.53

*The Company has transferred 20% of profit after tax (as per IndAS) towards reserves u/s 29C of the NHB Act, 1987.



/s/



DWI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in Crores, except for share data unless stated otherwise)

3 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Value of Investment		
Gross Value of Investment		
In India		
Outside India	331.96	139.66
Provision for Depreciation		
In India	-	-
Outside India	1.04	0.07
Net Value of Investment		
In India	-	-
Outside India	330.92	139.59
Movement of Provision held towards depreciation on investment		
Opening Balance	-	-
Add: Provisions made during the year	0.07	0.02
Less: Write off/Write Back Excess provision during the year	0.97	0.05
Closing Balance	1.04	0.07

4 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Notional principal amount of exchange traded IR derivatives undertaken during the	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly	-	-



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
 (All amount in Rs. in Crores, except for share data unless stated otherwise)

Risk Exposure in Derivatives

A- Qualitative Disclosure

HFCs shall describe their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

	As at March 31, 2020	As at March 31, 2019
(a) the structure and organization for management of risks in derivatives trading;	NA	NA
(b) the scope and nature of risk management, risk reporting and risk monitoring systems;	NA	NA
(c) policies for hedging and for mitigating risk and strategies and processes for monitoring the continuing	NA	NA
(d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and	NA	NA

A- Quantitative Disclosure

Particulars	Currency Derivatives
(i) Derivatives (Notional Principal Amount)	-
(ii) Marked to Market	-
Positions [1]	-
(a) Assets (+)	-
(b) Liability (-)	-
(iii) Credit Exposure [2]	-
(iv) Unhedged Exposures	-

- 1) The company has no transactions/exposure in derivatives in the current and previous year.
 2) The company has no unhedged foreign currency exposure on March 31, 2020 (P.Y. Rs. Nil)

5 Securitisation

- a. Disclosure as per NHB guidelines for assignment/securitisation transactions as an originator :

Particulars	No. / Amount	
	31-Mar-20	31-Mar-19
No of SPVs sponsored by the HFC for securitisation transactions	-	-
Total amount of securitised assets as per books of the SPVs sponsored	-	-
Total amount of exposures retained by the HFC towards the MRR as on the date of balance	-	-
(i) Off-balance sheet exposures towards Credit Enhancements	-	-
First Loss	-	-
Others	-	-
(ii) On-balance sheet exposures towards Credit Enhancement	-	-
First Loss (in the form of Fixed Deposits)	-	-
Series A PTCs	-	-
Amount of exposures to securitisation transactions other than MRR	-	-
(i) Off-balance sheet exposures towards Credit Enhancements	-	-
a) Exposure to own securitizations	-	-
First Loss	-	-
Others (Guarantees provided by banks on behalf of the Company*)	-	-
b) Exposure to third party securitizations	-	-
First Loss	-	-
Others	-	-
(ii) On-balance sheet exposures towards Credit Enhancements	-	-
a) Exposure to own securitizations	-	-
First Loss	-	-
Others	-	-
b) Exposure to third party securitizations	-	-
First Loss	-	-
Others	-	-

* Second Loss facility



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
 (All amount in Rs. in Crores, except for share data unless stated otherwise)

b. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	March 31, 2020	March 31, 2019
Number of accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

c. Details of Assignment transactions undertaken by company

Particulars	March 31, 2020	March 31, 2019
Number of accounts	-	-
Aggregate value (net of provisions) of accounts assigned	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

d. Details of non-performing financial assets purchased/sold

1) Details of non-performing financial assets purchased:

The company has not purchased non-performing financial assets in the current and previous year

Particulars	March 31, 2020	March 31, 2019
Number of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	-	-

2) Details of non-performing financial assets sold:

Particulars	March 31, 2020	March 31, 2019
Number of accounts sold	-	-
Aggregate outstanding	-	-
Aggregate consideration received	-	-



DMH Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in Crores, except for share data unless stated otherwise)

6 Asset liability management

Maturity pattern of certain items of assets and liabilities as on March 31, 2020

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years
Liabilities										
Deposits	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	0.13	0.13	1.28	1.54	3.08	12.32	7.37	-	-	-
Market Borrowings*	150.00	-	-	-	-	-	346.60	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances*	1.51	2.11	1.85	6.40	13.46	58.68	62.96	66.32	105.65	382.50
Investments	308.00	0.37	13.02	1.12	7.60	0.25	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-

Market borrowing includes NCDs raised by the company.

Maturity pattern of certain items of assets and liabilities as on March 31, 2019

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years
Liabilities										
Deposits	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	15.00	0.13	1.28	1.54	3.08	12.32	12.30	1.26	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances*	3.69	3.65	2.93	8.56	10.69	28.04	35.14	35.76	81.58	212.20
Investments	126.23	0.03	0.03	0.10	0.86	8.81	3.39	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-

Space intentionally left blank.



DMH Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
(All amount in Rs. in Crores, except for share data unless stated otherwise)

7 Exposure

A. Exposures to Real Estate Sector

Category	As at March 31, 2020	As at March 31, 2019
(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.		
Individual loans upto Rs. 15 Lakh		
Housing Loans		
LAP	462.92	267.89
Individual loans more than Rs. 15 Lakh	52.83	39.88
Housing Loans		
LAP	150.75	84.24
	7.09	5.68
II) Commercial real estate :		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-		
and other securitized exposures :		
(a) Residential	-	-
(b) Commercial real estate.	-	-
(B) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	22.14	10.00

b. Exposure to Capital Market

Particulars	As at March 31, 2020	As at March 31, 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the (including IPO/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds mutual funds are taken as primary security	-	-
debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; meeting promoters contribution to the equity of new companies in anticipation of raising resources;	-	-
(vi) bridge loans to companies against expected equity flows/ issues;	-	-
(vii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

The Company has no exposure to capital market directly or indirectly in the current and previous year.

c. Details of financing of parent company products
There is no financing of parent company products.

d. 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.

e. Unsecured Advances
The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

8 Registration obtained from other Financial sector regulators
The company has not obtained registration from other Financial sector regulators

9 Disclosure of penalties imposed by NHB and other regulators
NHB has not imposed any penalty on the company during the year.



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10 Ratings assigned by credit rating agencies and migration of ratings during the year:

During the year, fresh credit rating of AA-(SO) was issued by Brickwork Ratings India Pvt. Ltd (Brickwork) for INR 1500 Million dated August 28, 2019 and rating of BWR AA-(CE) from Brickwork for INR 1000 Million dated December 06, 2019 and for INR 300 Million dated February 27, 2020 for funds raised through NCD.

(i) ratings assigned by credit rating agencies and migration of ratings during the year;	Name of Rating AGENCY	Limit (Rs. In Cr.)	Type of Facility	Rating Changes	Change during the year	Date of Change	Remarks
		CARE Rating*	100	Long term Bank Facilities	CARE AA-(SO); Outlook: Stable (Double AA Minus (Structured Obligation))	Expired March 2020	March 31, 2020*
	Brickwork Ratings	150	Fund Based Facilities	BWR AA-(SO)	No Change	N.A	N.A
	Brickwork Ratings	100	Fund Based Facilities	BWR AA-(CE)	No Change	N.A	N.A
	Brickwork Ratings	300	Fund Based Facilities	BWR AA-(CE)	No Change	N.A	N.A

*The rating has been expired on March 31, 2020 and was not required to be renewed any

(ii) penalties, if any, levied by any regulator; During the FY 2019-20, no penalties have been levied by the regulator.

(iii) 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.

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Standard Assets				
a) Total Outstanding Amount (refer note 1)				
b) Provisions made	610.99	352.09	181.38	70.08
Sub-Standard Assets				
a) Total Outstanding Amount	1.96	0.86	1.39	0.37
b) Provisions made				
Doubtful Assets - Category - I				
a) Total Outstanding Amount	1.22	0.35	0.36	0.04
b) Provisions made	1.29	0.16	0.36	0.02
Doubtful Assets - Category - II				
a) Total Outstanding Amount				
b) Provisions made				
Doubtful Assets - Category - III				
a) Total Outstanding Amount				
b) Provisions made				
Loss Assets				
a) Total Outstanding Amount				
b) Provisions made				
TOTAL				
a) Total Outstanding Amount	612.21	352.44	181.75	70.12
b) Provisions made	3.25	1.02	1.75	0.39

*Provisions are calculated as per the NHB Directions and ECL model created by the company as per IND AS.

Breakup of 'Provision & Contingencies' shown under the head Expenditure in Profit & Loss Account	As at March 31, 2020	As at March 31, 2019
1. Provision for Depreciation on Investment		
2. Provision made towards Income Tax	0.92	0.07
3. Provision towards NPA	8.76	2.16
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc)	1.44	0.10
5. Provision for undrawn commitments	1.14	0.73
	(0.24)	0.35

Note:

- The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.



DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
 (All amount in Rs. in Crores, except for share data unless stated otherwise)

11 Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2020 (2019-Nil, 2018-Nil).

12 Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2020	As at March 31, 2019
Concentration of Loans & Advances		
Total Loans & Advances to twenty largest borrowers	125.62	42.43
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	15.84%	9.74%
Concentration of all Exposures (including off-balance sheet exposure)		
Total Exposures to twenty largest borrowers/Customers	135.27	42.43
(%) of Exposures to twenty largest borrowers/Customers to Total Exposures of the HFC on borrowers/customers	16.09%	7.54%
Concentration of NPAs		
Total Exposures to top ten NPA accounts	1.33	0.39

13 Sector-Wise NPAs

Sector	% of NPAs to total Advances in that sector	
	As at March 31, 2020	As at March 31, 2019
A. Housing Loans:		
1 Individuals	-	-
2 Builders/Project Loans	0.21%	0.10%
3 Corporates	-	-
4 Others (specify)	-	-
B. Non Housing Loans:		
1 Individuals	-	-
2 Builders/Project Loans	0.50%	0.05%
3 Corporates	-	-
4 Others (specify)	0.04%	-
	0.00%	-

14 Movement of NPAs

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross)	0.00%	0.07%
a) Opening Balance		
b) Additions during the year	0.39	0.22
c) Reductions during the year	1.65	0.39
d) Closing Balance	(0.39)	(0.22)
(iii) Movement of Net NPAs	1.65	0.39
a) Opening Balance		
b) Additions during the year	0.33	0.10
c) Reductions during the year	-	0.33
d) Closing Balance	(0.33)	(0.18)
(iv) Movement of Provisions for NPAs (excluding provisions on standard assets)	-	0.33
a) Opening Balance		
b) Provisions made during the year	0.06	0.03
c) Write-off/Write-Back of excess provisions	1.65	0.06
d) Closing Balance	(0.06)	(0.03)
	1.65	0.06



DMH Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2020
 (All amount in Rs. in millions, except for share data unless stated otherwise)

15 Overseas Assets

The company does not have any overseas assets.

16 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.

17 Customers Complaints

Particulars	As at March 31, 2020	As at March 31, 2019
No. of complaints pending at the beginning of the year	-	1
No. of complaints received during the year	70	32
No. of complaints addressed during the year	70	33
No. of complaints pending at the end of the year	-	-

*All complaints received by Company including the ones received in NHB GRIDS Portal have been addressed by the Company.

18 The Company has not granted any loans against collateral of gold jewellery (Previous Year: Nil).



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

Shivkishan
 Shivkishan Chatterjee
 (Director)
 DIN: 02623460
 Place: *New York*
 Date: *July 3, 2020*

Yuvika Singh
 Yuvika Chandra Singh
 (Director)
 DIN: 02603179
 Place: *New Delhi*
 Date: *July 3, 2020*

Silpi
 Silpi Vardhney
 (Company Secretary)
 Membership No: A31180
 Place: *New Delhi*
 Date: *July 3, 2020*