DIRECTOR'S REPORT

Dear Members,

DMI Housing Finance Private Limited

The Board of Director of the Company are pleased to present the 8th Director's Report on business and operations of DMI Housing Finance Private Limited ("**DMI HFC**") your Company along with the Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(₹ in Million)

Particulars	**March 31, 2019**	**March 31, 2018**
Income from Operations	427.50	159.00
Other Income	-	1.61
Total Income	**427.50**	**160.62**
Total Expenditure	398.97	170.22
Profit/(Loss) before Taxation	28.54	(9.59)
Tax Expenses/(Credits)	13.00	2.97
Profit/(Loss) after Taxation	**15.54**	**(12.56)**
Transfer to Capital Redemption Reserve	-	-
Transfer to Reserve Fund u/s Sec 29C of NHB Act, 1987	15.36	4.51
Balance in Profit/(Loss) Account in balance sheet	(19.85)	(24.59)

Note- In accordance with the directions from Ministry of Corporate Affairs, the Company being a Housing Finance Company has changed its accounting practice wherein Indian Accounting Standards (IND AS) is adopted in place of IGAAP. Accordingly, the accounting policies have been amended and its effect on the profit and reserves of the company is shown in the financial statements i.e. Balance Sheet along with Profit & Loss Account for March 31, 2019 and appropriate adjustments have been made in the previous year financials to incorporate the effect of revised accounting standards.

PORTFOLIO GROWTH AND ASSET QUALITY

Loan Portfolio & Net Owned Funds

The portfolio of the company has grown exponentially from ₹ 1,717.26 Million as on March 31, 2018 to ₹ 4,354.98 Million s as on March 31, 2019 thereby showing a sustainable growth in slow and slur economic environment. The portfolio of the company has grown exponentially by approximately 154%.

The Net owned funds of the Company were at ₹ 5,294.91 Million as on March 31, 2019 whereas the same stood at ₹ 1,145.12 Million as on March 31, 2018.

NPA Levels

The company has established strong risk management procedures which can be demonstrated with NPA levels of the company which have been significantly low since its inception.

Gross NPA level stood at 0.09% and Net NPA stood at 0.05% as on March 31, 2019.

Capital Adequacy Ratio (CRAR)

The company is maintaining a healthy CRAR of 132.28% 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, 2019	March 31, 2018
(i) CRAR (%)	132.28%	113.86%
(ii) CRAR – Tier I Capital (%)	131.79%	113.31%
(iii) CRAR – Tier II Capital (%)	0.49%	0.55%

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 2018-19, is set out herein below: **(₹ in Million)**

Particulars	March 31, 2019	March 31, 2018
Transfer to Capital Redemption Reserve	-	-
Transfer to Reserve Fund u/s Sec 29C of NHB Act, 1987	15.36	4.51

STATE OF COMPANY AFFAIRS

Share Capital

During FY 2018-19, the issued, subscribed and paid up share capital of the Company underwent following changes.

1. Change in Authorised Share Capital

During the year under review, the authorised share capital of the Company underwent following changes:

S. No.	Date of Approval	From	To	Division
1.	April 26, 2018	115 Crores	130 Crores	2,50,00,000 equity shares of ₹ 10 each and 10,50,00,000 Compulsorily Convertible Preference Shares of ₹ 10 each.
2.	June 22, 2018	130 Crores	150 Crores	2,50,00,000 equity shares of ₹ 10 each and 12,50,00,000 Compulsorily Convertible Preference Shares of ₹ 10 each
3.	July 29, 2018	150 Crores	165 Crores	2,50,00,000 equity shares of ₹ 10 each and 14,00,00,000 Compulsorily Convertible Preference Shares of ₹ 10 each
4.	November 13, 2018	165 Crores	1,000 Crores	86,00,00,000 equity shares of ₹ 10 each and 14,00,00,000 Compulsorily Convertible Preference Shares of ₹ 10 each

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

a) Issuance of Compulsorily Convertible Preference Shares (CCPS)

S. No.	Date of Allotment	Number of CCPS allotted	Change in paid-up capital
1.	April 27, 2018	1,02,61,194	Increased from ₹ 1,06,77,26,120 to ₹ 1,17,03,38,060
2.	June 01, 2018	60,63,432	Increased from ₹ 1,17,03,38,060 to ₹ 1,23,09,72,380
3.	June 29, 2018	2,04,65,115	Increased from ₹ 1,23,09,72,380 to ₹ 1,43,56,23,530
4.	July 30, 2018	11,162,790	Increased from ₹ 1,43,56,23,530 to ₹ 1,547,251,430

b) Issuance of Equity Shares

S. No.	Date of Allotment	Number of shares allotted	Change in paid-up capital
1.	November 13, 2018	62,422 (Class A equity shares)	Increased from ₹ 1,54,72,51,430 to ₹ 1,54,78,75,650
2.	December 20, 2018	32,77,51,601	Increased from ₹ 1,54,78,75,650 to ₹ 4,82,53,91,660

c) Conversion of CCPS into equity shares

Pursuant to the terms and conditions of issue of CCPS, 13,56,94,560 CCPS were converted into equity shares at the conversion ratio 1:1 of conversion price of Rs 10.93 per share. Further owing to such conversion of CCPS into equity shares, there was no change in the paid-up capital of the Company.

d) Change in Shareholding

Further, during the year under review, the company has received approval from the National Housing Bank vide letter dated September 03, 2018, for transfer of shareholding of the company from DMI Finance Private Limited to DMI Limited.

Post receipt of approval from the regulator, DMI Finance Private Limited ("Equity & CCPS Holder") transferred its shareholding to DMI Limited (Non-Resident transferee), in compliance with the FEMA regulations.

On Dec 20, 2018 DMI Limited, had infused ₹ 3582.33 Million in the company by way of subscribing equity shares issued by the company. As a result of the same the shareholding of the company increased exponentially and DMI Limited became the Holding Company of the company.

As on March 31, 2019, DMI Finance Private Limited transferred 1,21,69,788 equity shares and 11,38,02,652 CCPS held by them to DMI Limited, resulting reduction in the shareholding of DMI Finance Private Limited to 5.02%. As a result, DMI Finance Private Limited, ceased to be the Holding Company of the company.

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.

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 many experienced and senior level employees from the industry, so that they can help in achieving the company's goal. As on March 31, 2019 total number of employees of the company stood at 367 as compared to March 31, 2018, where the number of employees of the company were on 161.

Various training programs were organized at Head office and branch level for the employees to impart training on the products and policies of the company.

Further, the company has been using employee portal and regularly the same is improved and evolved based on the growing needs of the company.

SUBSIDIARIES/ASSOCIATES COMPANIES

The company do not have any subsidiary or associate company as on March 31, 2019.

CREDIT RATING

During the Financial Year 2018-19, the company obtained credit rating from Brickwork Ratings India Private Limited on October 29, 2018 and October 30, 2018. The details of the same are given below:

Type of Borrowing	Rating Agency	Amount (₹ in Million)	Rating
Non-Convertible Debentures	Brickwork Ratings India Private Limited	1,000	BWR AA-; Stable
Long Term Bank Borrowing	Brickwork Ratings India Private Limited	1,000	BWR AA-; Stable

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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 09, 2019 confirming that the company will neither hold nor accept any "Public Deposits" as defined by NHB, during the financial year from April 01, 2018 to March 31, 2019.

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, 2019) 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.

43,40,872 fresh options were granted; however, nil stock options are vested and exercised as on March 31, 2019.

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 10 (Ten) times during the financial year 2018-19 on below mentioned dates. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

S.No.	Date of Board Meeting
1.	April 26, 2018
2.	May 14, 2018
3.	May 31, 2018
4.	June 14, 2018
5.	June 22, 2018
6.	July 27, 2018
7.	September 24, 2018
8.	November 01, 2018
9.	December 07, 2018
10.	February 07, 2019

Further, in accordance with Standard 9 of the Secretarial Standards-1 on "Meetings of the Board of Directors", the details on the number of meetings attended by each Director during financial year 2018-2019 is given below:

Name of the Directors	Category	Number of meetings held during the financial year 2018-19		
		Held	Entitled	Attended
Mr. Tammir Amr	Director	10	10	8
Mr. Gaurav Burman	Director	10	10	7
Mr. Shivashish Chatterjee	Director	10	10	10
Mr. Yuvraja Chanakya Singh	Director	10	10	10

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 6 Committees constituted by the Board namely Audit Committee, Loan Investment and Borrowing Committee, Risk Management Committee, Nomination Committee, Asset Liability Committee, Securities Allotment Committee.

The composition of these Committees as on March 31, 2019 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 2018-19 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 2018-19 viz. on June 14, 2018, September 24, 2018, December 07, 2018 and February 07, 2019. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2018-19		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	2
Mr. Gaurav Burman	Member	4	4	2
Mr. Shivashish Chatterjee	Member	4	4	4
Mr. Yuvraja Chanakya Singh	Member	4	4	4

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

One Loan/Investment and Borrowing Committee Meetings were held during the financial year 2018-19 viz. on November 13, 2018. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2018-19		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	1	1	1
Mr. Gaurav Burman	Member	1	1	1
Mr. Jatinder Bhasin	Member	1	1	1
Mr. Shivashish Chatterjee	Member	1	1	1
Mr. Sahib Pahwa	Member	1	1	1
Mr. Yuvraja Chanakya Singh	Member	1	1	1

- **Risk Management Committee (RMC)**

Four Risk Management Committee Meetings were held during the financial year 2018-19 viz. on June 14, 2018, September 24, 2018, December 07, 2018 and February 07, 2019. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2018-19		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	2
Mr. Gaurav Burman	Member	4	4	2
Mr. Rajul Bhargava	Member	4	4	4
Mr. Shivashish Chatterjee	Member	4	4	4
Mr. Yuvraja Chanakya Singh	Member	4	4	4

- **Nomination Committee**

Two Nomination Committee Meetings were held during the financial year 2018-19 viz. on April 01, 2018 and October 01, 2018. The attendance of the members is as follows:

Name of the Members*	Category	Number of meetings held during the financial year 2018-19		
		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)**

Three ALCO Committee meetings were held during the financial year 2018-19 viz. on June 15, 2018, September 24, 2018 and November 11, 2018. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2018-19		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	3	3	3
Mr. Gaurav Burman	Member	3	3	3
Mr. Jatinder Bhasin	Member	3	3	3
Mr. Shivashish Chatterjee	Member	3	3	3
Mr. Sahib Pahwa	Member	3	3	3
Mr. Yuvraja Chanakya Singh	Member	3	3	3

- **Security Allotment Committee**

Nine Securities Allotment Committee Meetings were held during the financial year 2018-19on below mentioned dates.

S. No.	Date of Committee Meeting
1.	April 27, 2018
2.	June 01, 2018
3.	June 29, 2018
4.	July 30, 2018
5.	November 13, 2018
6.	November 22, 2018
7.	December 20, 2018
8.	January 15, 2019

9.	March 11, 2019

The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2018-19		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	9	9	9
Mr. Gaurav Burman	Member	9	9	9
Mr. Jatinder Bhasin	Member	9	9	9
Mr. Shivashish Chatterjee	Member	9	9	9
Mr. Sahib Pahwa	Member	9	9	9
Mr. Yuvraja Chanakya Singh	Member	9	9	9

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.

General Meetings

- **Annual General Meeting**

During the year under review, the Annual General Meeting of the Company for the Financial Year ended March 31, 2018 was held on September 24, 2018.

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

During the year under review, 7 Extra-ordinary General Meeting(s) (EGM) of the Company were held during the financial year 2018-19. The Members accorded their approval in the requisite manner for the matters taken in the respective EGMs.

S. No.	Date of Board Meeting
1.	April 26, 2018
2.	May 31, 2018
3.	June 22, 2018
4.	July 27, 2018
5.	September 25, 2018
6.	November 13, 2018

Corporate Social Responsibility (CSR)

The company has not achieved any of the threshold limit of Section 135 of Companies Act, 2013, therefore company has not undertaken any CSR activity during the year under review.

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-B.**

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/related-party-transaction-policy.html

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, 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 operations, credit, compliance, finance.

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, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d. they have prepared the annual accounts on a going concern basis; and
e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has adequate internal controls to monitor its operations. The management of the company overlooks the internal control mechanism and adequacy. Further, the statutory auditors of the company also check the internal controls at the end of every financial year.

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.

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 and foreign exchange earned during the year under review are as below:

Earnings: NIL

Outgo: 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 C 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 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/whistle-blower-policy.html

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

Statutory Auditors

S.R. Batliboi & Associates, LLP Chartered Accountants, Gurugram, Firm Registration No. 101049W 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.

Auditor's Observation

The Directors have examined the Auditors' Report on accounts for the period ended March 31, 2019. The Auditors' Report along with the relevant disclosures is self-explanatory and has no qualification or adverse remarks.

Extracts of Annual Return

The extract of Annual Return for Financial Year 2018-19 is attached to the Board's Report as **Annexure-D** 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

DMI Housing Finance Pvt. Ltd. New Delhi

Mr. Shivashish Chatterjee
Director
DIN: 02623460
Address: 347, Pocket-E, Mayur Vihar, Phase-II, New Delhi 110091

DMI Housing Finance Pvt. Ltd. New Delhi

Yuvraja Chanakya Singh
Director
DIN: 02601179
Address: 46, Second Floor, Jor Bagh, Delhi 110003

Place: New Delhi
Date: May 24, 2019

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

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 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019, 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. The other information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

Responsibility of Management and Board of Directors 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 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 system 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 standalone 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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, 2019;

   (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

Sarvesh Warty

per Sarvesh Warty
Partner
Membership Number: 121411

Mumbai
May 24, 2019

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 a regular programme of verification which, 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, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have not generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, undisputed dues 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 which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates
The Gujarat, Panchayats, Municipalities, Municipal Corporation and State Tax on Profession, Traders Callings and Employments Act, 1976	Professional Tax	16,280	August 17 to September 18
Madhya Pradesh Vritti Kar Adhiniyam, 1995	Professional Tax	24,065	August 17 to September 18
The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax	28,225	May 17 to September 18

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(b) 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 borrowings to a financial institution or 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 assets 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 material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of 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-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

Mumbai
May 24, 2019

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

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

We have audited the internal financial controls over financial reporting of DMI Housing Finance Private Limited ("the Company") as of March 31, 2019 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 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

Mumbai
May 24, 2019

DMI Housing Finance Private Limited
Balance Sheet as at March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	2	518.94	210.63	94.08
Loans	3	4,195.36	1,692.96	628.25
Investments	4	1,395.95	18.76	70.31
Other financial assets	5	6.35	1.36	1.21
Non- financal assets				
Current tax assets (net)		6.01	0.78	1.16
Property, plant and equipment	6(a)	40.78	13.05	8.17
Other Intangible assets	6(b)	0.64	0.91	1.18
Other non- financial assets	7	19.58	4.52	1.18
Assets held for sale	8	3.86	-	-
	TOTAL	6,187.47	1,947.97	805.54
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	9			
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.49	18.96	4.97
Debt Securities	10	-	179.66	87.98
Borrowings (other than Debt Securities)	11	466.93	582.86	19.38
Other financial liabilities	12	387.36	197.95	64.30
Non financial liabilities				
Provisions	13	14.23	4.44	1.85
Deferred tax liabilities (net)	14	0.93	195.59	136.21
Other Non-financial liabitlies	15	44.33	14.02	6.16
Equity				
Equity share capital	16	4,825.39	190.31	180.06
Other equity	17	443.81	564.18	304.63
	TOTAL	6,187.47	1,947.97	805.54
Summary of significant accounting policies	1			

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/E300004
Chartered Accountants

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: May 24, 2019

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: DELHI
Date: MAY 24, 2019

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: DELHI
Date: MAY 24, 2019

(Company Secretary)
Membership No: A31180
Place: DELHI
Date: MAY 24, 2019

DMI Housing Finance Private Limited
Statement of profit and loss for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	For the year March 31, 2019	For the year March 31, 2018
Revenue from operations			
Interest Income	18	350.54	142.33
Fees and commission Income	19	34.90	14.94
Net gain on fair value changes	20	42.05	1.74
Total revenue from operations		427.50	159.00
Other Income	21	-	1.61
Total Income		427.50	160.62
Expenses			
Finance Costs	22	90.65	40.42
Impairment on financial instruments	23	12.40	4.71
Employee Benefits Expense	24	186.86	76.13
Depreciation, amortization and impairment	6(a) & 6(b)	10.40	4.36
Other expenses	25	98.66	44.60
Total Expenses		398.97	170.22
Profit/(loss) before tax		28.54	(9.59)
Tax Expense:			
(1) Current Tax	14	21.59	7.35
(2) Deferred Tax		(8.59)	(4.38)
Profit/(loss) for the year		15.54	(12.56)
Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss			
Acturial gain on gratuity		0.07	0.26
Income Tax Effect		(0.02)	(0.07)
Other Comprehensive Income , net of income tax		0.05	0.19
Total Comprehensive Income for the year		15.59	(12.37)
Total Comprehensive Income for the year			
Earnings per equity share	26		
Basic (Rs.)		0.70	(0.15)
Diluted (Rs.)		0.70	(0.15)
Nominal value per share (Rs.)		10.00	10.00
Summary of significant accounting policies			

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/E300004
Chartered Accountants

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: May 24, 2019

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: DELHI
Date: MAY 24, 2019

[illegible] Chanakya Singh
(Director)
DIN: 0[illegible]01179
Place: DELHI
Date: MAY 24, 2019

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: DELHI
Date: MAY 24, 2019

DMI Housing Finance Private Limited
Cash flow statement for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		28.54	(9.59)
Adjustments for			
Depreciation and amortisation		10.45	4.36
Net gain on sale of investments		(17.23)	(1.74)
Provision for expected credit allowance		12.40	2.03
Provision for employee benefits		6.38	2.11
Unrealized profit on Mutual Funds		(24.83)	-
Interest accrued on bank deposits		(9.94)	(2.53)
Interest expense on Compulsorily Convertible Preference Shares		29.63	17.23
Write-off miscellaneous items		0.39	-
Share based payments		2.18	0.04
Interest accrual on borrowings		(0.89)	21.97
Interest accrual on loan & advances		3.29	(10.86)
Operating profit before working capital changes		40.32	23.03
Changes in working capital			
Increase in financial and other assets		(2,506.23)	(1,072.87)
Increase in financial and other liabilities		174.94	216.15
Increase in non financial assets		(18.92)	(7.23)
Increase/ (decrease) in non financial liabilities		30.30	(58.23)
Total of changes in working capital		(2,279.59)	(899.15)
Direct taxes paid		5.22	6.97
Net cash flow from / (used in) operating activities (A)		(2,284.81)	(906.12)
B Cash flow from investing activities:			
Inflow (outflow) on account of :			
Investment in mutual fund		(3,070.00)	(357.50)
Sale of investments		1,824.59	410.57
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	5	(23.00)	(14.15)
Purchase of investments in NCDs		(119.86)	-
Net cash flow from / (used in) investing activities (B)		(1,388.27)	38.92
C Cash flow from financing activities:			
Issue of equity shares (including share premium)		4,097.33	420.27
Proceeds from borrowings		680.00	563.48
Repayment of borrowings		(795.93)	-
Net Cash flow from / (used in) financing activities (C)		3,981.39	983.75
Net increase/(decrease) in cash and cash equivalents (A+B+C)		308.31	116.55
Cash and cash equivalents as at the beginning of the year		210.63	94.08
Cash and cash equivalents at the end of the year	2	518.94	210.63
Components of cash and cash equivalents			
Cash on hand		0.17	0.02
Balance with banks			
in current accounts		518.77	210.61
Total cash and cash equivalents	2	518.94	210.63
Summary of significant accounting policies	1		

For disclosure of financing transactions that do not require the use of cash and cash equivalents, refer note 11.3

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/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date: May 24, 2019

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: DELHI
Date: MAY 24, 2019

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: DELHI
Date: MAY 24, 2019

Shilpa Varshney
(Company Secretary)
Membership No: A31180
Place: DELHI
Date: MAY 24, 2019

DMI Housing Finance Private Limited

Statement of changes in equity for the year ended March 31, 2018

(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 2017	1,80,05,746	180.06
Issue of Equity share capital during the year ended March 31 2018 (refer note 18)	10,24,837	10.25
As at March 31 2018	1,90,30,583	190.31
Issue of Equity share capital during the year ended March 31 2019 (refer note 18)	46,35,07,583	4,635.07
As at March 31 2019	48,25,38,166	4,825.38

b. Other Equity

Particulars	Equity Component	Reserve & Surplus				Total
	Compulsorily Convertible Preference Shares	Securites premium Account	Special Reserve U/s 36(1)(viii) of the income Tax Act, 1961	Share Based Payments Reserve	Retained Earnings	
Balance at 1 April, 2017	304.80	7.54	2.04	-	-9.75	304.63
Profit for the year	-	-	-	-	-12.56	-12.56
Other Comprehensive income	-	-	-	-	0.19	0.19
Total comprehensive income	-	-	-	-	-12.37	-12.37
Add: Issue of Equity Shares	-	0.02	-	-	-	0.02
Add: Issue of Compulsorily Convertible Preference Shares	-	26.16		-	-	26.16
Add: during the year on Account of ESOPs	-	-	-	0.04	-	0.04
Add: Compulsorily Convertible Preference Shares Equity portion on addition	271.86	-		-	-	271.86
Less: On account of Compulsorily Convertible Preference Shares split into equity and liability	-	-26.16	-	-	-	-26.16
Transferred to Reserve III (Reserve U/s 36(1)(viii), Considered as eligible transfer to Special Reserve U/s 29C of the NHB Act, 1987) *	-	-	2.47	-	-2.47	-
At 31 March 2018	576.66	7.56	4.51	0.04	-24.59	564.18
Profit for the year	-	-	-	-	15.54	15.54
Other Comprehensive income	-	-	-	-	0.06	0.06
Total comprehensive income	-	-	-	-	15.59	15.59
Add: Issue of Equity Shares	-	304.85	-	-	-	304.85
Add: Share Premium on conversion Of Compulsorily Convertible Preference Shares	-	130.10	-	-	-	130.10
Add: Issue of Compulsorily Convertible Preference Shares	-	35.47	-	-	-	35.47
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	-	-35.47	-	-	-	-35.47
Less: Conversion of Compulsorily Convertible Preference Shares	-576.66	-	-	-	-	-576.66
Transferred to Reserve III (Reserve U/s 36(1)(viii), Considered as eligible transfer to Special Reserve U/s 29C of the NHB Act, 1987)	-	-	10.85	-	-10.85	-
At 31 March 2019	-	442.52	15.36	5.78	-19.85	443.81

*As determined on the basis of profits under Indian GAAP

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No. 121411

S.R. BATLIBOI & ASSOCIATES LLP

Place: Mumbai
Date: May 24, 2019

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

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: DELHI
Date: MAY 24, 2019

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: DELHI
Date: MAY 24, 2019

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: DELHI
Date: MAY 24, 2019

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 of financial statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended from time to time).

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS. Refer to note [28] for information on how the Company adopted IndAS.

The standalone financial statements have been prepared on a historical cost basis, except for financial assets held for trading, which have been measured at fair value.

2.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement more than 12 months after the reporting date is presented in note [35]. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

3. **Summary of significant accounting policies**

3.1 Use of significant accounting judgement, estimates and assumptions

The preparation of Standalone 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Following are the judgements, estimates and assumptions used which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

A. Impairment loss on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at fair value through profit & loss (FVTPL), requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

• The Company's model, which assigns Probability of Defaults (PDs)
• The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Long Term ECL (LTECL) basis
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs

B. Business Model Assumption

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. 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.

C. Defined employee benefit assets and liabilities

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

D. 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.

E. Fair value measurement

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 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.

F. Effective interest rate method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the company's base rate and other fee income/expense that are integral parts of the instrument.

3.2 Cash and cash equivalents

Cash and cash equivalent comprises 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.

3.3 Recognition of income and expense

a) 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.

b) 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.

c) Other charges and other interest

Overdue interest is recognized on realization basis.

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d) 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.

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

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31 March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April 2017.

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

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

3.5 Depreciation and amortization

Depreciation

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

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

Leasehold improvements 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.

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 affect that useful life of an intangible asset exceeds four years, the Company amortizes the intangible asset over the best estimate of its useful life.

3.6 Impairment of non-financial assets

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

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

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3.7 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.

3.8 Retirement and other employee benefits

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 and Employee State Insurance scheme. The Company recognizes contribution payable to the provident fund as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

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

3.9 Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

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

Deferred tax

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

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

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

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

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

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

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3.10 Earning per share

Basic earnings per share are 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.

3.11 Share based payments

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

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

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

3.12 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.

3.12.1 Financial Assets

3.12.1.1 Initial recognition and measurement

Financial assets are initially recognised on the date that the Company becomes a party to the contractual provisions of the instrument. 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.

3.12.1.2 Classification and Subsequent measurement

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

- Loan portfolio at amortized cost
- Debt instruments at amortized cost
- Investment in mutual funds and security receipts at fair value through profit and loss account.
- Other financial asset amortized cost

3.12.1.3 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.

3.15.1.4 Loan portfolio at FVOCI

A 'loan 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.

Loan portfolio 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.

3.12.1.5 Mutual funds

Mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

3.12.2 <u>Financial Liabilities</u>

3.12.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are 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.

3.12.2.2 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

3.12.2.3 <u>Reclassification of financial assets and liabilities</u>

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.

3.12.2.4 Financial Liabilities

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.13 Impairment of financial assets

3.13.1 Overview of the ECL principles

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.13.2).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
Both LTECLs and 12mECLs are calculated on individual and collective basis, depending on the nature of the underlying portfolio of financial instrument.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition.

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

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

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

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.13.2 The calculation of ECLs

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

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

- PD - *The Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is an exposure at a default date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

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

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

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

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

For loan commitments, the ECL is recognised within Provisions.

3.13.3 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.

3.13.4 Collateral repossessed

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

3.13.5 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.

3.14 Fair value measurement

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.

3.15 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.

3.16 Functional and presentation currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

2 Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents			
Cash on hand	0.17	0.02	0.01
Balance with banks			
In Current accounts	518.77	210.61	94.07
	518.94	210.63	94.08
Total	518.94	210.63	94.08

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DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

3 Loans

At amortosed cost	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Term Loan	4,209.72	1,698.99	630.05
Total (A) Gross	4,209.72	1,698.99	630.05
Less: Impairment loss allowance	14.36	6.03	1.81
Total (A) Net	4,195.36	1,692.96	628.24
Secured by tangible assets and intangible assets	4,209.72	1,698.99	630.05
Covered by Bank/Government Guarantees			
Unsecured			
Total (B) Gross	4,209.72	1,698.99	630.05
Less: Impairment loss allowance	14.36	6.03	1.81
Total (B) Net	4,195.36	1,692.96	628.24
Loans in India			
Public Sector	-	-	-
Others	4,209.72	1,698.99	630.05
Total (C) Gross	4,209.72	1,698.99	630.05
Less: Impairment loss allowance	14.36	6.03	1.81
Total (C-I) Net	4,195.36	1,692.96	628.24
Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total (C-II) Net	-	-	-
Total (C-I) and (C-II)	4,195.36	1,692.96	628.24

3a) 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.

3b) Loans sanctioned but un-disbursed amount is Rs. 1038.29 mm as on March 31, 2019 (2018- Rs. 332.29 mm, 2017-Rs. 182.80 mm)

3c) The Company has granted certain loans to staff amounting to Rs. 3 mm as on March 31,2019 (2018- Rs. Nil, 2017-Rs. Nil)

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DMI HOUSING FINANCE PVT. LTD. NEW DELHI

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

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

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification.

Risk Categorization	March 31, 2019							
	Home loan & Loan against property				Corporate & NCDs			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Low Risk	3,935.83	-	-	3,935.83	378.61	-	-	378.61
Medium Risk	-	28.82	-	28.82	-	0.81	-	0.81
High Risk	-	-	4.14	4.14	-	-	-	-
Grand Total	3,935.83	28.82	4.14	3,968.79	378.61	0.81	-	379.42

Risk Categorization	March 31, 2018							
	Home loan & Loan against property				Corporate & NCDs			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,678.49	-	-	1,678.49	14.78	-	-	14.78
Medium Risk	-	18.26	-	18.26	-	-	-	-
High Risk	-	-	2.23	2.23	-	-	-	-
Grand Total	1,678.49	18.26	2.23	1,698.98	14.78	-	-	14.78

An analysis of changes in the gross carrying amount in relation to Retail & Corporate lending is, as follows:

Particulars	March 31, 2019							
	Housing Loan & Loan against Property				Corporate Loan & NCD			
	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	14.78	-	-	14.78
Disbursements	2,648.16	-	-	2,648.16	389.54	-	-	389.54
Repayments	-372.78	-5.37	-0.25	-378.35	-24.89	-	-	-24.89
Transfers from Stage 1	-27.57	25.32	2.25	-	-0.81	0.81	-	-
Transfers from Stage 2	7.51	-9.40	1.89	-	-	-	-	-
Transfers from Stage 3	2.03	-	-2.03	-	-	-	-	-
Gross carrying amount closing balance	3,935.83	28.82	4.14	3,968.79	378.61	0.81	-	379.42

Particulars	March 31, 2018							
	Housing Loan & Loan against Property				Corporate Loan & NCD			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	630.49	4.37	-	634.86	64.38	-	-	64.38
Disbursements	1,230.42	-	-	1,230.42	0.07	-	-	0.07
Repayments	-166.07	-0.22	-	-166.30	-49.67	-	-	-49.67
Transfers from Stage 1	-16.91	14.68	2.23	-	-	-	-	-
Transfers from Stage 2	0.56	-0.56	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	1,678.49	18.26	2.23	1,698.98	14.78	-	-	14.78

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

Particulars	March 31, 2019							
	Housing Loan & Loan against Property				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	6.03	0.07	-	-	0.07
ECL on assets added/ provision created	6.86	-	-	6.86	1.93	-	-	1.93
Assets derecognised or repaid(including write offs/ Write back)	-0.94	-0.08	-0.10	-1.12	-0.12	-	-	-0.12
Transfers from Stage 1	-0.07	0.47	1.12	1.52	-0.00	0.02	-	0.02
Transfers from Stage 2	0.02	-0.14	0.95	0.83	-	-	-	-
Transfers from Stage 3	0.00	-	-1.01	-1.01	-	-	-	-
ECL allowance closing balance	10.53	0.51	2.07	13.11	1.87	0.02	-	1.90

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	March 31, 2018							
	Housing Loan & Loan against Property				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	1.67	0.14		1.81	0.32	-	-	0.32
ECL on assets added/ provision created	3.39	-	-	3.39	0.00	-	-	0.00
Assets derecognised or repaid(including write offs/ Write back)	-0.36	-0.08	-	-0.44	-0.25	-	-	-0.25
Transfers from Stage 1	-0.04	0.21	1.12	1.29	-	-	-	-
Transfers from Stage 2	0.00	-0.01	-	-0.01	-	-	-	-
Transfers from Stage 3	-				-	-	-	-
ECL allowance closing balance	4.66	0.26	1.12	6.03	0.07	-	-	0.07

3(b) Impairment assessment
The Company's impairment assessment and measurement approach is set out in the notes below. It should be read in conjunction with the Summary of significant accounting policies.

3(c) Probability of default
The Company considers a financial instrument as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The probability of default is an estimate of the likelihood of default over a given time horizon. The Company considers the PD default rate as per the CRISIL default study report.

3(d) Exposure at default
The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation , addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

3(e) Loss given default
The Company uses FIRB rates as presribed by Reserve Bank of India for calculation of loss given default

3(f) Significant increase in credit risk
The company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio or instruments is subject to 12mECL or LTECL, The company assesses whether there has been a significant increase in credit risk since intial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.
When estimating ECLs 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 intial recognition.

3(g) 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, 2019. There was no change in the Company's collateral policy during the year.

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

4 Investments

	Amortised Cost	At fair Value Through profit or loss	Total
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	134.63	1,261.98	1,396.61
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 cost

	Amortised Cost	At fair Value Through profit or loss	Total
As at March 31, 2018			
Security receipts	-	4.06	4.06
Credit substitute	14.78	-	14.78
Total (A)	14.78	4.06	18.84
Investments outside India	-	-	
Investments in India	14.78	4.06	18.84
Total (B)	14.78	4.06	18.84
Less: Allowance for Impairment loss (C)	0.07	-	0.07
Total Net D = (A) -(C)	14.70	4.06	18.76

* Investments are carried at cost

	Amortised Cost	At fair Value Through profit or loss	Total
As at April 01, 2017			
Security receipts	-	6.25	6.25
Credit substitute	64.38	-	64.38
Total (A)	64.38	6.25	70.63
Investments outside India	-	-	-
Investments in India	64.38	6.25	70.63
Total (B)	64.38	6.25	70.63
Less: Allowance for Impairment loss (C)	0.32	-	0.32
Total Net D = (A) -(C)	64.06	6.25	70.31

4(a) The Company has considered its investments in mutual fund and security receipts as fair value through Profit & Loss on the basis that these are held for trading purpose.

5 Other financial assets

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Amortized Cost			
Security Deposit	2.79	1.36	1.21
Others	3.56	-	-
Total	6.35	1.36	1.21

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

6(a) Property, plant and equipment

	Lease Hold Improvements	Computers and printers	Furniture and fixtures	Office equipment	Total
Cost					
At April 1, 2017	6.03	1.96	0.21	1.74	9.94
Purchase	8.72	2.54	0.14	2.58	13.97
Disposals	-	-	-	(0.02)	(0.02)
At March 31, 2018	14.75	4.50	0.35	4.30	23.89
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	56.50
Depreciation					
At April 1, 2017	0.39	0.94	0.05	0.39	1.77
Charge for the year	1.42	1.34	0.06	1.27	4.09
Disposals	-	-	-	(0.01)	(0.01)
At March 31, 2018	1.81	2.28	0.11	1.65	5.86
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	3.72	15.74
Net Block					
At March 31, 2018	12.93	2.23	0.24	2.64	18.05
At March 31, 2019	30.64	5.88	1.58	2.67	40.78

6(b) Other intangible assets

Intangible assets	Software	Total
Gross block		
At April 1, 2017	1.45	0.00
Purchase	-	-
Disposals	-	-
At March 31, 2018	1.45	1.45
Purchase	-	-
Disposals	-	-
At March 31, 2019	1.45	1.45
Amortization		
At April 1, 2017	0.26	0.26
Charge for the year	0.28	0.28
At March 31, 2018	0.54	0.54
Charge for the year	0.27	0.27
At March 31, 2019	0.81	0.81
Net block		
At March 31, 2018	0.91	0.91
At March 31, 2019	0.64	0.64

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

7 Other non- financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid Expenses	3.17	0.48	0.17
Advance to staff	-	-	0.10
Cenvat available	14.11	3.56	0.03
Capital advance	-	0.27	0.03
Other Recoverable	2.35	0.21	0.80
Total	[illegible]	4.52	1.13

8 Assets Held For Sale

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets held for sale (refer note 8(a))	3.86		
Total	3.86	-	-

8 (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, 2019	As at March 31, 2018	As at April 01, 2017
Properties	3.86	-	-
Total assets obtained by taking possession of collateral	3.85	-	-

9 Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	4.49	18.96	4.98
Total	4.49	18.96	4.98

* 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.

10 Debt Securities

At amortised cost	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured			
Liability Component of CCPS (including interest accrued)	-	179.66	87.98
Total gross (A)	-	179.66	87.98
Debt securities in India	-	179.66	87.98
Debt securities outside India	-	-	-
Total (B) to tally with (A)	-	179.66	87.98

S.R. BATLIBOI & ASSOCIATES LLP *

DMI HOUSING FINANCE PVT. LTD. * NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

11 Borrowings (Other Than Debt Securities)

At amortised cost	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured			
Term loans (refer note 11.4, 11.5 & 11.6)			
From Banks(Refer note 11.1)	318.71	378.95	19.38
Others			
Cash Credit (refer note 11.2)	148.22	203.91	-
Total gross (A)	466.93	582.86	19.38
Borrowings in India	466.93	582.86	19.38
Borrowings outside India	-	-	-
Total (B) to tally with (A)	466.93	582.86	19.38

11.1 Secured term loans from Banks include loans from various banks and carry rate of interest in the range of 9% to 10% p.a. The loans are having tenure of 7 years from the date of disbursement and are repayable in monthly or quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.

11.2 Borrowings from bank are secured against hypothecation of loans given by the Company.

11.3 Changes in liabilities arising from financing activities

Particulars	As at March 31, 2018	Cash flows	Other*	As at March 31, 2019
Debt securities	179.66		(179.66)	-
Borrowings	582.86	(115.93)		466.93
Total	762.52	(115.93)	(179.66)	466.93

Particulars	As at March 31, 2017	Cash flows	Other*	As at March 31, 2018
Debt securities	87.98		91.69	179.66
Borrowings	19.38	563.48		582.86
Total	107.36	563.48	91.69	762.52

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

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

11.4 Terms of repayment of of long term borrowings outstanding as at March 31, 2019

Original maturity of loan	Interest rate	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 10years		Above 10 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthy repayment schedule Development Credit Bank	9.05%	12	15.38	12	15.38	12	15.38	12	15.38	12	15.39	[illegible]	5.13				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	15.23						76.83
		20	61.58	20	61.58	20	61.58	20	61.58	20	61.42	5	12.63	-	-	-	320.39
EIR Adjustment																	(1.18)
TOTAL																	319.21

11.5 Terms of repayment of of long term borrowings outstanding as at March 31, 2018

Original maturity of loan	Interest rate	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		Above 10 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Monthy repayment schedule Development Credit Bank	9.05%	12	15.38	12	15.38	12	15.38	12	15.38	12	15.38	16	20.51				97.44
Quarterly repayment schedule																	
State Bank of India	9.90%	4	30.80	4	30.80	4	30.80	4	30.80	4	30.80	5	38.30				192.30
South indian Bank	9.95%	4	15.40	4	15.40	4	15.40	4	15.40	4	15.40	4	15.28				92.28
		20	61.58	20	61.58	20	61.58	20	61.58	20	61.58	25	74.10	-	-	-	382.02
EIR Adjustment																	(3.07)
TOTAL																	378.95

11.6 Terms of repayment of of long term borrowings outstanding as at March 31, 2017

Original maturity of loan	Interest rate	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		Above 10 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Quarterly repayment schedule State Bank of India	9.90%	4	1.54	4	3.08	4	3.08	4	3.08	4	3.08	8	6.14				20.00
		4	1.54	4	3.08	4	3.08	4	3.08	4	3.08	8	6.14	-	-	-	20.00
EIR Adjustment																	(0.63)
TOTAL																	19.38

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

12 Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due			
From Bank- Term Loan	1.37	-	-
Employee payables	0.18	-	-
Other financial liabities	15.31	1.01	64.30
Others	370.50	196.94	-
	387.36	197.95	64.30

13 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Leave availment	6.23	1.76	0.40
Gratuity	2.87	1.04	0.55
ECL on undrawn loan commitment	5.13	1.64	0.90
	14.23	4.44	1.85

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

14 Tax Expenses

The major components of income tax expense for the year ended March 31, 2019
Profit or loss section

	Year ended March 31, 2019	Year ended March 31, 2018
Current income tax:		
Current income tax charge	21.59	7.35
Adjustments in respect of current income tax of previous year		
Deferred tax:		
Relating to origination and reversal of temporary differences	(8.59)	(4.38)
Income tax expense reported in the statement of profit or loss	13.00	2.97

OCI section
Deferred tax related to items recognised in OCI during the year:

	March 31, 2019	March 31, 2018
Acturial gain on gratuity	0.02	0.07
Income tax charged to OCI	0.02	0.07

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax from continuing operations	28.54	(9.59)
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	28.54	(9.59)
Expenses Disallowed in Income tax Act	42.03	6.91
Other permanent difference	24.45	27.94
Loss on sale of fixed assets	0.36	-
Difference in depreciation as per tax and books of account	0.68	1.44
Provision for Gratuity	6.38	1.85
Unrealized gain on mutual funds	(24.83)	-
Taxable Income	77.61	28.54
Tax at statutory income Tax rate of 27.82% (PY 25.75%) - (a)	21.59	7.35
Incremental defered tax liabilities /(assets) on account of Financial assets and other items		
Unrealized gain on mutual funds	(6.91)	-
ECL	3.61	1.06
ESOP expenses	(0.01)	0.01
Gratuity and Leave Encashment	1.81	0.43
Difference between WDV as per Companies act and IT Act.	1.04	0.39
Incorporation expense	-	(0.02)
Unamortized Borrowings cost	(0.19)	0.60
Unamortized Processing fee	0.54	(2.43)
On CCPS interest component	8.66	4.28
Tax at effective income Tax rate of 27.82% (P.Y. 25.75%) - (b)	(8.57)	(4.31)
Total Tax expenses (a+b)	13.03	3.04

Deferred Tax liabilities / (assets)	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred tax liability			
Unrealized gain on mutual fund	(6.91)	-	-
Unamortized Fee/DSA/ Incentive Impact	(4.08)	(4.62)	(2.19)
CCPS equity component impact	-	(199.99)	(136.30)
Gross deferred tax liability	(10.99)	(204.61)	(138.49)
Deferred tax asset			
Expected credit loss (ECL)	5.61	2.00	0.94
Provision for gratuity and Leave availment	2.53	0.72	0.29
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	1.32	0.28	(0.41)
ESOPs	-	0.01	-
Unamortized Processing fee	0.61	0.79	[illegible]
Incorporation expence	-	-	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Gross deferred tax asset	23.96	9.03	2.28
Net Deferred Tax Asset/(Liability)	12.97	(195.58)	(136.21)

S.R. BATLIBOI & ASSOCIATES LLP

HOUSING FINANCE PVT. LTD. NEW DELHI

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

15 Other Non-financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Dues Payable	10.88	2.71	0.66
Employee related statutory dues	1.31	0.86	0.28
Provision for Expenses	32.14	10.45	5.22
Total	44.33	14.02	6.16

(All amount in Rs. in millions, except for share data unless stated otherwise)

16 Equity share capital

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

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorized share Capital			
860,000,000 (31 March, 2018 - 250,000,000; 1 April, 2017 - 250,000,000) Equity Shares of Rs. 10/- each	8,600.00	250.00	250.00
140,000,000 (31 March, 2018 - 90,000,000 : 1 April, 2017 - 50,000,000) Compulsorily Convertible Preference Shares of Rs. 10/- each	1,400.00	900.00	500.00
	10,000.00	1,150.00	750.00
Issued , Subscribed & Paid up capital			
Issued and Subscribed Capital			
482,445,534 (31 March, 2018- 18,999,373 ; 1 April, 2017- 18,005,746) Equity shares of Rs. 10/- each	4,824.46	189.99	180.06
93,632 (31 March, 2018 - 31,210; 1 April, 2017 - 0) Class A Equity shares of Rs. 10/- each	0.93	0.32	-
Total	4,825.39	190.31	180.06

16.1 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, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of year	1,90,30,583	190.31	1,80,05,746	180.06	1,52,50,925	152.51
Add:						
Equity Share Allotted during year						
Shares issued during the year	32,77,51,601	3,277.52	9,93,627	9.94	27,54,821	27.55
Shares issued under Class A	61,422	0.60	31,210	0.31	-	-
Shares issued persuant to conversion of compulsorily convertible preference share	13,56,94,560	1,356.95	-	-	-	-
Equity share at the end of year	48,25,38,166	4,825.38	1,90,30,583	190.31	1,80,05,746	180.06

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.

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.

16.2 Shares held by holding Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	45,82,12,559	94.96%	44,88,514	23.67%	44,88,514	24.93%
Total	45,82,12,559	94.96%	44,88,514	23.67%	44,88,514	24.93%

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.

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	45,82,12,559	94.96%	44,88,514	23.62%	44,88,514	24.93%
DMI Finance Private Limited	2,42,32,977	5.02%	1,40,17,232	73.78%	1,35,17,232	75.07%
Total	48,24,45,536	99.98%	1,85,05,746	97.81%	1,80,05,746	100.00%

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.

16.4 For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 27

(All amount in Rs. in millions, except for share data unless stated otherwise)

17 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Share Premium Account	442.52	7.56	7.54
Special reserve u/s 29C of The National Housing Bank Act, 1987 read with 36 (1) (viii) of income tax Act, 1961*	15.36	4.51	2.04
Share Based Payment Reserve	5.78	0.04	-
Retained earnings	(19.85)	(24.59)	(9.75)
Equity Component CCPS	-	576.66	304.80
Total	443.81	564.18	304.63

* 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.10.85 mm (2018- Rs.2.47 mm, 2017-Nil) 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.

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

18 Interest Income

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	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	-	340.61			139.80	
Interest on deposits with Banks		9.94			2.53	
	-	350.55	-	-	142.33	-

19 Fees and commission Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Other fee income	34.90	14.94
	34.90	14.94

20 Net gain/(loss) on fair value changes

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net gain/(loss) on financial instruments at fair value through profit and loss		
i) On trading portfolio		
Investments	42.06	1.74
Total Net gain/(loss) on fair value changes	42.06	1.74
Fair value changes		
Realised	17.23	1.74
Unrealised	24.83	-
Total Net gain/(loss) on fair value changes	42.06	1.74

21 Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Other income	-	1.62
Total	-	1.62

22 Finance Costs

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	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		88.65	-	36.29
Other Finance Cost		2.00	-	4.13
Total	-	90.65	-	40.42

23 Impairment on financial instruments

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	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	-	0.59	-	(0.25)
Loans Assets	-	11.81	-	4.96
Total	-	12.40	-	4.71

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

24 Employee Benefits Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	164.16	20.80
Contribution to provident and other funds	6.09	2.55
Share Based Payments to employees	2.18	0.03
Staff welfare expenses	14.43	2.75
Total	186.86	[illegible]

Earned Leave Plans
Employee can encash unutilised earned leave only at the time of seperation 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

	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	4.36	1.26
Interest cost	0.14	0.03
Return on plan assets	-	-
Net remeasurement (gain) / loss recognized in the year	-	-
Net expense	4.50	1.29

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

	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	0.15	0.53
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	0.14	(0.09)
Remeasurement (gain) / loss arising during the year	0.29	0.44

Balance Sheet
Net defined benefit liability

	Year ended March 31, 2019	Year ended March 31, 2018
Present value of defined benefit obligation	6.23	1.76
Fair value of plan assets	-	-
Plan liability	6.23	1.76

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

	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	1.76	0.40
Current service cost	4.36	1.26
Interest cost	0.14	0.03
Benefits paid during the year	(0.33)	(0.37)
Remeasurement (gain)/loss on obligation	0.30	0.44
Closing defined benefit obligation	6.23	1.76

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

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.66%	7.80%
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.

(All amount in Rs. in millions, except for share data unless stated otherwise)

Sensitivity Analysis:

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

Particulars	As at March 31, 2019	As at March 31, 2018
a) Effect of 0.50% change in assumed discount rate		
- 0.50% increase	(0.49)	(0.14)
- 0.50% decrease	0.54	0.15
(b) Effect of 0.50% change in assumed salary escalation rate		
[illegible]	0.55	[illegible]
[illegible]	(0.50)	(0.14)

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

Expected payment for future years	31-Mar-19	31-Mar-18
0 to 1 Year	0.15	0.04
1 to 2 Year	0.03	0.01
2 to 3 Year	0.01	0.03
3 to 4 Year	0.05	0.14
4 to 5 Year	0.20	0.16
5 to 6 Year	0.30	0.13
6 Year onwards	5.49	1.25
Total expected payments	6.23	1.76

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, 2019	Year ended March 31, 2018
Current service cost	1.84	0.70
Interest cost	0.08	0.04
Return on plan assets	-	-
Net remeasurement (gain) / loss recognized in the year	-	-
Net expense	1.92	0.74

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

	Year ended March 31, 2019	Year ended March 31, 2018
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(0.12)	(0.22)
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	0.05	(0.04)
Remeasurement (gain) / loss arising during the year	(0.08)	(0.26)

Balance Sheet

Net defined benefit liability

	Year ended March 31, 2019	Year ended March 31, 2018
Present value of defined benefit obligation	2.87	1.03
Fair value of plan assets	-	-
Plan liability	2.87	1.03

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

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

	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	1.03	0.54
Current service cost	1.84	0.70
Interest cost	0.08	0.03
Benefits paid during the year	-	-
Remeasurement (gain)/loss on obligation	(0.08)	(0.26)
Closing defined benefit obligation	2.87	1.03

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

	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.66%	7.80%
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

Experience adjustment for the reported years are as below:

	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined benefit obligation					
Plan assets					
Surplus / (deficit)					
Experience adjustments on plan liabilities					
Experience adjustments on plan assets					

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

Particulars	As at March 31, 2019	As at March 31, 2018
a) Effect of 0.50% change in assumed discount rate		
- 0.50% increase	(0.23)	(0.08)
- 0.50% decrease	0.26	0.09
(b) Effect of 0.50% change in assumed salary escalation rate		
- 0.50% increase	0.26	0.10
- 0.50% decrease	(0.24)	(0.09)

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

Expected payment for future years	31-Mar-19	31-Mar-18
0 to 1 Year	0.01	0.00
1 to 2 Year	0.00	0.00
2 to 3 Year	0.02	0.00
3 to 4 Year	0.04	0.01
4 to 5 Year	0.05	0.02
5 to 6 Year	0.21	0.02
6 Year onwards	2.53	0.97
Total expected payments	2.87	1.03

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

S.R. BATLIBOI & ASSOCIATES LLP

(All amount in Rs. in millions, except for share data unless stated otherwise)

25 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Credit rating fee	0.87	-
Legal and professional fees	25.41	13.38
Audit fee	0.91	0.70
Goods & Service tax written off	5.36	2.80
Subscription and license fees	5.16	1.62
Rates and taxes	24.45	4.40
Business promotion	1.96	0.15
Repairs and manitenance others	0.75	0.17
Travelling expenses	7.81	6.98
Boarding and lodging expense	-	1.03
Electricity expense	1.93	0.66
Office running and maintenance expenses	6.06	2.53
Communication expense	2.87	1.52
Amortisation of add on cost on non-convertible debentures	-	2.33
Rent	11.48	4.95
Printing and stationery	3.51	1.15
Miscellaneous expenses	0.13	0.23
Total	98.65	44.60

25(a) Auditor's remuneration

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
For audit	0.75	0.55
For taxation	0.06	0.05
For certification	0.10	0.10
	0.91	0.70

26 Earning per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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.)	235.94	82.62
Net profit for calculation of basic EPS	15.54	(12.56)
Basic earning per share (In Rs.)	0.07	(0.15)
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Rs.)	235.94	82.62
Net profit for calculation of Diluted EPS (in Rs.)	15.54	(12.56)
Diluted earning per share (In Rs.)	0.07	(0.15)
Nominal value of equity shares (In Rs.)	10.00	10.00

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

27. Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for its employees - DMI HFC ESOP PLAN 2018 ("Plan"). Details of all grants in operation during the year ended March 31, 2019 are as given below:

Scheme Name	DMI HFC ESOP Plan, 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan, Managemant Scheme
Date of grant	19 March 2018	1 April 2018	1 October 2018
Date of Board / Compensation Committee approval	16 March 2018	1 April 2018	1 October 2018
Number of Options granted	349316	336626	3154930
Method of settlement	Shares	Shares	Shares
Graded vesting period *	See Below	See Below	See Below
First vesting date	18th March 2019	31 March 2019	30 September 2019
Exercise period **	5 years	5	5
Vesting conditions	As per DMI HFC ESOP Plan, 2018	As per DMI HFC Retention Plan, 2018	As per DMI HFC ESOP Plan, Managemant Scheme
Exercise price per option	10.68	10.72	10.8
Stock price on the date of grant	10.68	10.72	10.8

* 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

Options outstanding at the beginning of the year	3,49,316
Granted during the year	39,91,556
Exercised during the year	-
Outstanding at the end of the year	43,40,872
Weighted average remaining contractual life (in years)	4.4

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.

ESOP Plan	DMI HFC ESOP Plan, 2018	DMI HFC Retention Plan, 2018	DMI HFC ESOP Plan, Managemant Scheme
Fair Market Value	10.68	10.72	10.93
Volatility	15%	15%	15%
Risk free Rate	6%	8%	8%
Dividend Yield	0%	0%	0%
Exercise Price	10.68	10.72	10.80
Option Fair Value	3.08	3.55	3.89

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 2019 amounts to Rs. 2.18 mm (previous year Rs. 0.04 mm).

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

28 First-time adoption of Ind AS

The Company has prepared its Ind AS compliant financial statements for year ended March 31, 2019, The comparative year ended on March 31 2018 and an opening Ind AS Balance Sheet as at April 1, 2017 (The date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustment made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

For years ended upto the year ended March 31, 2018, the Company had prepared its financial statements in accordance with the accounting statndards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:

Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments:

- Fair valuation of financials instruments carried at FVTPL and FVOCI
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017 the date of transition to Ind AS, and as of March 31, 2018.

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition

Property, plant & equipment & intagible assets

The Company has elected to continue with the carrying value for all of its PPE, Intangible assets and Investment Properties as recognized in its Indian GAAP financial as deemed cost at the transition date.

(All amount in Rs. in millions, except for share data unless stated otherwise)

28(a) Net Worth Reconciliation as on March 31, 2019

Reconciliation of Equity under Ind AS and Indian GAAP		March 31, 2018	April 1, 2017
Total Equity as per IGAAP		1,140.02	716.38
Loans			
EIR of processing fee, DSA & incentive	A	(17.94)	(7.08)
Impairment on financial instruments	B	(1.91)	0.13
Borrowings			
Adoption of EIR for amortisation of income and expenses	A	3.07	0.63
Compulsorily Convertible Preference Shares	C		
Liability Component of compound financial instruments		(179.66)	(87.98)
Recognition of Deferred Tax	D	(198.10)	(137.38)
Total		754.49	484.69
Balance as per IND AS		754.49	484.69

Reconciliation of Profit under Ind AS and Indian GAAP	March 31, 2018
Income as per IGAAP	12.33
	-
Expected credit loss on financial assets	(2.03)
	-
EIR of processing fee, DSA & incentive	(10.86)
Adoption of EIR for amortisation of Borrowings	2.45
	-
Interest expense on liability component of CCPS	(17.23)
	-
	-
Deferred Tax - Other areas	(1.30)
Deferred Tax - CCPS	4.28
Total	(12.37)
Total profit as per Ind AS	(12.37)

Notes to reconciliation of the Indian GAAP and Ind AS

A Under Indian GAAP, loan processing fees received in connection with loans portfolio is recognized upfront and credited to profit or loss for the period. Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan portfolio.
For Borrowings Under indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under IndAS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

B Under the Ind AS, allowance is provided on the loans given to customers on the basis of percentage obtained by evaluating the loss of the previous years. Under Indian GAAP, the Company has created provision for loans and advances based on the Guidelines on prudential norms issued by Reserve Bank Of India. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its loans and advances. In addition, ECL on off balance sheet has also been determined as per Ind AS). The differential impact has been adjusted in Retained earnings/ Profit and loss during the year. Under Indian GAAP Loans & Advances were presented net of provision for NPA and Provision against standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

C The company had issued convertible preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under indAS, Compulsorily Convertible Preference Shares are treated as Compound financial instrument and split accounting is followed. Present value of fixed dividend component is classified as "equity" and the Principal and conversion option is classified as "Liability"

D Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

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' notified under Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016.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, 2019, March 31, 2108 and April 1, 2017, 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, 2019, March 31, 2018 and April 1, 2017.

32 Commitments and contingencies
There is no contingent Liability as on March 31, 2019, March 31, 2018 and April 1, 2017

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 (w.e.f 20th December, 2018) DMI Finance Private Limited (till 19th December, 2018)
2. Directors	Mr. Yuvraja Chanakya Singh Mr. Shivashish Chatterjee Mr. Gaurav Burman Mr. Tamer Amr
3. Fellow subsidiaries	DMI Consumer Credit Private Limited DMI Finance Private Limited

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

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

Equity Share Capital	March 31, 2019	March 31, 2018
DMI Limited		
Issue of equity shares	3,277.52	-
Securities premium received	304.81	-
Mr. Yuvraja Chanakya Singh		
Issue of equity shares	-	5.00
Securities premium received	-	-
Mr. Shivashish Chatterjee		
Issue of equity shares	-	4.94
Securities premium received	-	-

Compulsorily Convertible Preference Share Capital	March 31, 2019	March 31, 2018
DMI Finance Private Limited		
Issue of CCPS	47.95	383.84
Securities premium received	35.47	26.16

2. Other Transactions

Name of related party	Nature of transactions	March 31, 2019			March 31, 2018			
		Amount received	Amount paid	Outstanding balance	Opening balance	Amount received	Amount paid	Outstanding balance
DMI Finance Private	Rent	-	3.96	-	-	-	1.27	-
	Resource sharing fee	-	9.27	-	0.24	-	7.36	7.08
	Interest on loan	-	9.01	-	-	-	-	-
	[illegible]	[illegible]	-	-	-	-	-	-
	Purchase of assets	-	240.55	-	-	-	8.55	-
	Sale of assets	-	-	-	-	47.09	-	-
	Reimbursement of expenses	-	-	-	-	0.07	-	-
	Other assets through ESOP	3.48	-	3.43	-	-	-	-

S.R. BATLIBOI & ASSOCIATES LLP *

NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

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, 2019	As at March 31,2018	As at April 1, 2017
Tier 1 CRAR	133.88%	113.31%	158.20%
Tier 2 CRAR	0.49%	0.55%	0.70%
Total CRAR	134.37%	113.86%	158.90%

35 Financial risk management objectives and policies

The Company's Principal financial liabilities comprise loans and 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-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	31.77	84.99	98.55	228.44	564.48	1,338.72	1,325.32	7,[illegible]	10,720.88
Investments	1,263.96	1.93	2.05	5.42	18.51	111.69	56.24	-	1,440.51
Other financial assets								2.79	2.79
Financial liabilities									
Trade Payables	4.49								4.49
Debt Securities									-
Borrowings (other than Debt Securities)	152.55	3.97	15.37	22.82	42.44	262.68	236.69	12.85	558.25
Other financial liabilities	16.85								16.85

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

31-Mar-18	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	18.69								18.69
Loans	20.49	21.96	22.10	67.28	135.64	524.09	515.49	3,266.06	4,573.12
Investments	0.43	0.43	0.44	1.21	2.62	15.13	3.17	-	23.05
Other financial assets								1.36	1.36
Financial liabilities									
Trade Payables	18.96								18.96
Debt Securities								379.65	379.65
Borrowings other than Debt Securities	208.24	4.42	15.86	24.33	47.35	174.70	150.73	79.14	704.76
Other financial liabilities	1.01								1.01

31-Mar-17	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	94.08								94.08
Loans	7.25	8.16	8.25	25.31	50.92	188.63	190.08	1,140.55	1,623.96
Investments	1.74	1.71	1.74	47.08	3.50	17.01	8.62	0.30	80.79
Other financial assets								1.21	1.21
Financial liabilities									
Trade Payables	4.98								4.98
Debt Securities								37.98	37.98
Borrowings other than Debt Securities	0.16	0.17	0.16	0.50	2.51	9.30	8.07	6.83	27.71
Other financial liabilities	64.30								64.30

(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 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.

	March 31, 2019	March 31, 2018	March 31, 2017
Housing	3,521.22	1,443.57	537.53
Non-Housing			
Loan against property	455.80	258.56	72.15
Others	378.15	14.73	63.88

The above table represents exposure at default

S.R. BATLIBOI & ASSOCIATES LLP *

DMI HOUSING FINANCE PVT. LTD. * NEW DELHI

DMI Housing Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

(All amount in Rs. in millions, except for share data unless stated otherwise)

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

31-Mar-19	Financial services	Real Estate	Others	Total
Financial asset				
Cash and cash equivalents	518.94			518.94
Investments	1,261.98	134.63		1,396.61
Other financial assets			6.35	6.35

DMI Housing Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

(All amount in Rs. in millions, except for share data unless stated otherwise)

31-Mar-18	Financial services	Real Estate	Others	Total
Financial asset				
Cash and cash equivalents	210.63			210.63
Investments	4.06	14.78		18.84
Other financial assets			1.36	1.36

31-Mar-17	Financial services	Real Estate	Others	Total
Financial asset				
Cash and cash equivalents	94.08			94.08
Investments	6.25	64.38		70.63
Other financial assets			1.21	1.21

(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.

(i) Interest Rate Risk:-

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report yearly for assessment of interest rate risks.

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 effects 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	March 31, 2019	March 31, 2018
Finance Cost		
0.50% Increase	(1.79)	(0.99)
0.50% Decrease	1.79	0.99
Advances		
0.50% Increase	158.14	-
0.50% Decrease	(158.14)	-

36 Standard issued but not yet effective

Ind AS 116 : Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual years beginning on or after 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IndAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company is evaluating the requirements of Ind AS 116 and its effect on the financial statements .

37 Additional Information required in terms of Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2018 NHB(ND)/DRS/REG/MC-07/2018, 02 July, 2018 have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy circular no.89/2017-18 dated June 14, 2018 is given in annexure-1, which have been presented solely based on the information compiled by the management.

38 The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident Fund and Pension Funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the aplication of the said order, the ambiguity reflected by the divergent views of the legal experts and the response/direction from the authorities, including representations made by an industry association in this regard.

39 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 intruments or beacuse they carry market rate linked floating rate of interest.

40 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.

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

DMI Housing Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2019

(All amount in Rs. in millions, except for share data unless stated otherwise)

Annexure 1 to Note No 37 to the financial statements for the year ended 31 March, 2019

Disclosure as required by National Housing Bank :

The following disclosures have been given in terms of the National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/201 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010:

1 Capital

Particulars	As at March 31, 2019	As at March 31, 2018
CRAR (%)	134.37%	115.86%
CRAR - Tier I capital (%)	133.88%	115.31%
CRAR - Tier II capital (%)	0.49%	0.55%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual Debt instruments	-	-

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

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		
Opening Balance	4.51	2.04
Additional during the year	10.85	2.47
Appropriation during the year	-	-
Closing Balance	15.36	4.51

Particulars	As at March 31, 2019	As at March 31, 2018
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	4.51	2.04
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
c) Total		
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	10.85	2.47
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987		
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	15.36	
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
c) Total	15.36	4.51

S.R. BATLIBOI & ASSOCIATES LLP *

DMI HOUSING FINANCE PVT. LTD. * NEW DELHI

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2019
(All amount in Rs. in millions, except for share data unless stated otherwise)

3 Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Value of Investment		
Gross Value of Investment		
In India	1,394.50	18.80
Outside India	-	-
Provision for Depreciation	-	-
In India	0.66	0.15
Outside India	-	-
Net Value of Investment	-	-
In India	1,393.84	18.65
Outside India	-	-
Movement of Provision held towards depreciation on investment	-	-
Opening Balance	0.15	0.66
Add: Provisions made during the year	0.51	
Less: Write off/Write Back Excess provision during the year		0.51
Closing Balance	0.66	0.15

4 Derivatives

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(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, 2019	As at March 31, 2018
(i) Notional principal amount of exchange traded IR derivates undertaken during the year (instrument-wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives oustanding as on 31st March, 2019	-	-
(iii) Notional principal amount of exchange traded IR derivates outstanding and not "highly effective" (instrument-wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivates outstanding and not "highly effective" (instrument-wise")	-	-

S.R. BATLIBOI & ASSOCIATES LLP *

DMI HOUSING FINANCE PVT. LTD. * NEW DELHI

Risk Exposure in Derivatives

A- Qualitative Disclosure

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

(a) the structure and organization for management of risks in derivatives trading;	NA
(b) the scope and nature of risk management, risk reporting and risk monitoring systems;	NA
(c) policies for hedging and /or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and	NA
(d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of oustanding contracts; provisiong; collateral and credit risk mitigation.	NA

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	-

5 Securitisation

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

Particulars	No. / Amount		
	March 31, 2019	March 31, 2018	April 01, 2017
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 sheet	-	-	-
(i) Off-balance sheet exposures towards Credit Concentration	-	-	-
First Loss	-	-	-
Others	-	-	-
(ii) On-balance sheet exposures towards Credit Concentration	-	-	-
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 Concentration	-	-	-
a) Exposure to own securitizations	-	-	-
First Loss	-	-	-
Others (Guarantees provided by banks on behalf of the Company*)	-	-	-
b) Exposure to third party securitisations	-	-	-
First Loss	-	-	-
Others	-	-	-
(ii) On-balance sheet exposures towards Credit Concentration	-	-	-
a) Exposure to own securitisations	-	-	-
First Loss	-	-	-
Others	-	-	-
b) Exposure to third party securitisations	-	-	-
First Loss	-	-	-
Others	-	-	-

* Second Loss facility

S.R. BATLIBOI & ASSOCIATES LLP

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

(All amount in Rs. in millions, except for share data unless stated otherwise)

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
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, 2019	March 31, 2018	April 01, 2017
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, 2019	March 31, 2018	April 01, 2017
Number of accounts purchased during the year		-	-
Aggregate outstanding		-	-
Of these, number of accounts restructed during the year		-	-
Aggregate outstanding			-

2) Details of non-performing financial assets sold:

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Number of accounts sold	-	-	5
Aggregate outstanding	-	-	12.25
Aggregate consideration received	-	-	10.42

DMI HOUSING FINANCE PVT. LTD. NEW DELHI

S.R. BATLIBOI & ASSOCIATES LLP

(All amount in Rs. in millions, except for share data unless stated otherwise)

6 Asset liability management

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	150.00	1.39	12.83	15.40	30.79	123.17	118.00	12.61	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances*	16.55	36.53	29.29	85.58	106.37	280.38	351.39	357.62	915.84	2,102.01
Investments	1,262.27	0.29	0.30	0.98	8.64	88.13	33.90	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as on March 31, 2018

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	205.19	1.28	12.83	15.40	30.79	123.17	123.17	74.10	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances*	3.85	4.16	4.21	12.83	26.00	129.97	142.37	158.19	281.02	906.74
Investments	0.30	0.24	0.25	0.76	1.64	8.62	2.92	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-

(All amount in Rs. in millions, except for share data unless stated otherwise)

7 Exposure

a. Exposures to real estate sector

Category	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(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	455.60	257.22	69.18
Individual Housing Loans upto Rs. 15 Lakh	2,343.18	1,043.95	850.96
Individual Housing Loans more than Rs. 15 Lakh	678.04	399.52	106.57
ii) Commercial real estate :			
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based (NFB) limits;	378.15	15.48	65.86
backed securities (MBS) and other			
(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).	Nil	Nil	Nil

b Exposure to Capital Market

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	-
(ii) advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPO/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows/ issues;	-	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
Total Exposure to Capital Market			

The Company has no exposure in 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.

DMI HOUSING PVT. LTD. NEW DELHI

S.R. BATLIBOI & ASSOCIATES LLP *

(All amount in Rs. in millions, except for share data unless stated otherwise)

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 100 Crores for funds raised through NCD. There has been no change in the ratings issued by CARE and Brickworks for Bank Borrowings to the company.

(i) ratings assigned by credit rating agencies and migration of ratings during the year;	Name of Rating Agency	Limit	Type of Facility	Rating Changes		Date of Change	Remarks
		(Rs. in Cr.)		At the beginning of the year	Change during the year		
	CARE Rating	100	Long term Bank Facilities	CARE AA-(SO); Outlook: Stable (Double AA Minus (Structured Obligation))	No Change	N.A	Reaffirmed in April 2019
	Brickwork Ratings	100	Long Term Fund based Bank Limits	BWR AA-(SO); Outlook: Stable (Double AA Minus (Structured Obligation))	No Change	N.A	Reaffirmed in October 2018
	Brickwork Ratings	100	Long Term NCD issue	No NCD rating	BWR AA-(SO); Outlook: Stable (Double AA Minus (Structured Obligation))	Rating Rationale dated 31st October 2018	Rating Assigned
(ii) penalties, if any, levied by any regulator;	During the FY 2018-19, 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 and	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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Standard Assets				
a) Total Outstanding Amount (refer note 1)	3,520.89	1,441.42	700.81	258.96
(b) Provisions made	5.59	3.58	3.69	1.34
Sub-Standard Assets				
a) Total Outstanding Amount	3.46	2.15	0.40	-
b) Provisions made	1.85	1.12	0.12	-
Doubtful Assets - Category - I				
a) Total Outstanding Amount				
b) Provisions made				
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	3,524.36	1,443.57	701.21	258.96
b) Provisions made	10.44	4.69	3.91	1.34

Note:
1. 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, 2019
(All amount in Rs. in millions, 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, 2019 (2018-Nil, 2017-Nil).

12 Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Concentration of Loans & Advances			
Total Loans & Advances to twenty largest borrowers	424.30	70.36	107.99
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	9.74%	4.10%	15.59%
Concentration of all Exposures (including off-balance sheet exposure)			
Total Exposures to twenty largest borrowers/Customers	424.30	74.75	108.16
(%) of Exposures to twenty largest borrowers/Customers to Total Exposures of the HFC on borrowers/customers	7.54%	3.65%	12.36%
Concentration of NPAs			
Total Exposures to top ten NPA accounts	3.86	2.15	-

13 Sector-Wise NPAs

Sector	% of NPAs to total Advances in that sector		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A. Housing Loans:			
1 Individuals	0.10%	0.15%	0%
2 Builders/Project Loans			
3 Corporates			
4 Others (specify)			
B. Non Housing Loans:			
1 Individuals	0.05%	-	-
2 Builders/Project Loans			
3 Corporates			
4 Others (specify)			

14 Movement of NPAs

Particulars	As at March 31, 2019	As at March 31, 2018
(I) Net NPAs to Net Advances (%)	0.07%	0.11%
(II) Movement of NPAs (Gross)		
a) Opening Balance	2.15	-
b) Additions during the year	3.86	2.15
c) Reductions during the year	(2.15)	-
d) Closing Balance	3.86	2.15
(III) Movement of Net NPAs		
a) Opening Balance	1.82	-
b) Additions during the year	3.25	1.82
c) Reductions during the year	(1.82)	-
d) Closing Balance	3.25	1.82
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	0.32	-
b) Provisions made during the year	0.62	0.32
c) Write-off/Write-Back of excess provisions	(0.32)	-
d) Closing Balance	0.62	0.32

(All amount in Rs. in millions, except for share data unless stated otherwise)

15 Overseas Assets

Particulars	As at 31 March 2019	As at 31 March 2018
NIL		

The company does not have any overseas assets

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

Name of the SPV sponsored	
Domestic	Overseas

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

17 Customers Complaints

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
No. of complaints pending at the beginning of the year	1	-	
No. of complaints received during the year	32	11	5
No. of complaints redressed during the year	33	10	5
No. of complaints pending at the end of the year	0	1	-

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

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

Shiveshish Chatterjee
(Director)
DIN: 02623460
Place: DELHI
Date: MAY 24, 2019

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: DELHI
Date: MAY 24, 2019

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: DELHI
Date: MAY 24, 2019

S.R. BATLIBOI & ASSOCIATES LLP *

DMI HOUSING FINANCE PVT. LTD. * NEW DELHI