



**DMI HOUSING FINANCE PRIVATE LIMITED**  
**Annual Report-2020-21**

**DIRECTOR'S REPORT**

Dear Members,

**DMI Housing Finance Private Limited**

The Board of Director of the Company are pleased to present the 10<sup>th</sup> Director's Report on business and operations of DMI Housing Finance Private Limited ("DMI HFC/Company") your Company along with the Audited Financial Statements for the financial year ended March 31, 2021.

**OVERVIEW:**

The Company being incorporated on March 23, 2011, is registered with the National Housing Bank (NHB) as a Housing Finance Company and is engaged in the business of providing affordable and housing finance loans to individuals, loan against property, builder loans for construction of residential/housing projects and corporate loans for general operating expenditure including working capital and expansion. The Company provides easy home loans, especially to those in the lower income and economically backward segments and is also providing the benefit of subsidy under Pradhan Mantri Awas Yojana (PMAY) to the eligible home loan borrowers.

Further, the Company has an expanded network across various states and present have 37 branches all over the country with 281 employees on payroll.

**FINANCIAL HIGHLIGHTS:**

(₹ in Million)

| Particulars  | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Income from Operations                                   | 1122.27        | 928.57         |
| Other Income   | -              | -              |
| <b>Total Income</b>                                      | <b>1122.27</b> | <b>928.57</b>  |
| Total Expenditure  | 769.96         | 620.98         |
| Profit/(Loss) before Taxation                            | 352.31         | 307.59         |
| Tax Expenses/(Credits)                                   | 89.09          | 76.48          |
| <b>Profit/(Loss) after Taxation</b>                      | <b>263.22</b>  | <b>231.11</b>  |
| Capital Redemption Reserve                               | -              | -              |
| Reserve Fund u/s Sec 29C of NHB Act, 1987                | 61.54          | 15.36          |
| Add : Amount transferred from surplus of Profit and Loss | 52.64          | 46.18          |
| <b>Balance at the end of the year</b>                    | <b>114.18</b>  | <b>61.54</b>   |
| Retaining earning at the beginning of the year           | 164.86         | (19.85)        |
| Add: Profit for the year after all deductions            | 211.48         | 184.71         |
| <b>Balance in Profit/(Loss) Account in balance sheet</b> | <b>376.34</b>  | <b>164.86</b>  |

As on March 31, 2021, the total revenue of the company increased to ₹ 1122.27 Million as compared to ₹ 928.57 Million in the previous financial year. The total expenditure in FY 2021 also increased to ₹ 769.96 Million as compared to ₹ 620.98 Million in FY 2020. In defiance of economic instability and



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mounting pressure on financial markets, the Company has shown upward growth during the year under review as the Company's net profit for the financial year increased to ₹ 263.22 Million as compared to ₹ 231.11 Million in FY 2020.

**(A) IMPACT OF COVID-19**

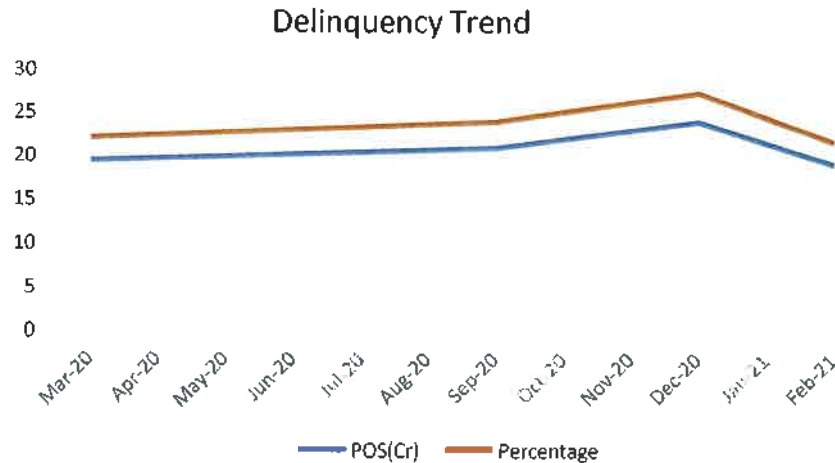
The "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)", generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020 continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and India's local economic activities. Further, the Indian economy registered the worst contraction on record in Q1 FY 2021, which was also the most severe among G20 countries, and the recovery ahead seem to be slow. During the Financial year 2020-21 the government of India continued to support the economy, by introducing various measures. However, downside risks remain, which may mean that the recovery process could continue to be uneven along with high uncertainty. However, while the Company's continuity plan was in motion, the focus of the Company was always to ensure the safety of the employees and to provide seamless and uninterrupted service to the existing customers.

Also, in addition to introduction of RBI guidelines related to COVID-19 Regulatory package dated March 27, 2020, RBI had also came up with COVID-19 Regulatory package on May 23, 2020 and further introduced "**Resolution Framework for COVID-19-related Stress**" dated August 06, 2020 ("**Resolution Framework**") thereby addressing the borrower defaults under a normal scenario and came up with Resolution Framework for COVID-19-related Stress – Financial Parameters dated September 07, 2020.

In line with above, the Board of Directors of the Company has granted their approval for implementation of "**Restructuring Policy**" for providing benefit to the eligible categories of borrowers facing stress due to the situation of COVID 19. The Company has restructured 80 borrower accounts in the Financial year 2020-21 as per the restructuring policy of the Company and.

Further, after the complete lockdown phase April-May 2020, the company was in recovery phase from June 2020 onwards and has shown a stable growth post COVID recovery. Also, w.e.f. November 2020 the disbursements had shown an increasing trend directing towards a progressive rise in future.

The Company has also taken initiatives towards launching of collection incentives and strong follow up strategies leading towards lower Delinquency. The delinquency trend during the FY 2020-21 is presented below:



Further, with the COVID-19 resurgence during April 2021, the asset quality and liquidity risks has come up on the surface and has postponed the recoveries in the sector. In view of the uncertainties and challenges posed by the COVID-19 situation, Reserve Bank of India has reviewed the situation and with the objective of alleviating the potential stress it has come up with “**Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals, small Businesses and MSMEs – Revision in the threshold for aggregate exposure**” which is in line with the contours of the Resolution Framework - 1.0, with suitable modifications. Thus, in line with the introduction of **Resolution Framework - 2.0**, the Company has suitably taken the necessary steps and has devised “**Restructuring Policy 2.0**” duly approved by the Board of Directors and is in the process of implementing and effectuating the same.

**(B) BORROWINGS IN THE FORM OF TERM LOANS FROM BANKS/REFINANCE FROM NATIONAL HOUSING BANK/NON-CONVERTIBLE DEBENTURES:**

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

The total outstanding borrowings of the Company as on March 31, 2021 in the form of Term Loan, Cash credit from Banks, Non-Convertible Debentures and from borrowings National Housing Bank are as follows:

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

| S. No | Particulars            | Amount (Million) |
|-------|------------------------|------------------|
| 1.    | Cash Credit from Banks | 250.10           |
| 2.    | Term Loans from Banks  | 673.28           |



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The Company has during the financial year obtained cash credit facility amounting to Rs.300 million from HDFC Bank (Rs.250 Million utilized as on March 31, 2021) and Rs.50 Million from Kotak Mahindra bank (NIL utilized as on March 31, 2021).

Further, Term loan amounting to Rs.500 million has also been obtained from State Bank of India.

**(b) National Housing Bank Refinance:**

| S. No | Particulars                          | Amount (Million) |
|-------|--------------------------------------|------------------|
| 1.    | Refinance from National Housing Bank | 1367.68          |

Also, as on March 31, 2021, refinance facility has been obtained from National Housing Bank as under:

| S. No | Details of the Sanction  | Sanctioned Amount (Million) | Outstanding as on March 31, 2021 (Million) | Date of Sanction  |
|-------|--|-----------------------------|--|-------------------|
| 1.    | Approval under General Refinance Scheme of NHB- Vide Sanction letter No. NHB (ND)/R&PFD/HFC/A-1418/2019-20 | 750                         | 671.79                                     | February 10, 2020 |
| 2.    | Approval under LIFt Scheme of NHB: vide sanction letter No. NHB (ND)/R&PFD/HFC/A-1417/2019-20              | 750                         | 607.79                                     | February 10, 2020 |
| 3     | Approval under Special Refinance Facility (SRF) vide sanction letter NHB(ND)/ROD/HFC/2019-20               | 88.1                        | 88.1                                       | May 22, 2020      |

Further, the Company has received “Request for repayment of Principal along with Interest under Special Refinance Facility (SRF) on May 20, 2021” pursuant to which the Company had successfully repaid the facility amount on the said date and has duly completed the applicable ROC filings.

**(c) Non-Convertible Debentures:**

During the Financial year 2020-21, the Company has not issued any Non-Convertible Debentures (NCDs). Further, the ratings obtained for the following existing NCD issuances were re-affirmed as under:

| S. No. | Particulars  | Number of NCDs | Date of Allotment | Amount (Cr) | Maturity                                    | Credit Rating |
|--------|--|----------------|-------------------|-------------|---|---------------|
| 1.     | 8.50% Secured, Unlisted, Rated, Redeemable, Non-Convertible Debentures | 513            | December 09, 2019 | 51.3        | 48 months from the deemed Date of Allotment | BWR AA-(CE)   |



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|    |  |      |                   |       |   |             |
|----|--|------|-------------------|-------|---|-------------|
| 2. | 8.50% secured, unlisted, rated, redeemable nonconvertible debenture(s) | 2953 | February 28, 2020 | 295.3 | 48 months from the deemed Date of Allotment | BWR AA-(CE) |
|----|--|------|-------------------|-------|---|-------------|

During the Financial year, the Company had prepaid 10.60% Partly Paid-up Senior, Secured, Unlisted, Rated, Redeemable, Non-Convertible Debentures (NCD's) of Rs.10,00,000/- on August 29, 2020 amounting to 1500 Million on April 15, 2020.

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

Thus, NCDs under para 68.1 and 68.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 stands NIL.

**(ii) Implementation of the Scheme for grant of ex-gratia payment**

In reference to scheme for grant of ex-gratia payment issued by the Ministry of Finance, Department of Financial Services pursuant to the letter F.No.2/12/2020-BOA.I dated October 23, 2020 (“Scheme”) and the supervisory circular NHB(ND)/DoS/ Sup. Circular No. 3/2020-21 dated October 26, 2020 issued by NHB on implementation of the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020), the Company has successfully implemented the scheme and credited the accounts of eligible borrowers as per the requirements and has submitted the claim amount with State Bank of India on December 15, 2020.

**(iii) Introduction of Master Directions for Housing Finance Companies by Reserve Bank of India:**

National Housing Bank (NHB) was set up as a principal agency for the promotion of housing finance institutions both at local and regional levels and to provide financial and other support to the institutions. To ensure a consistent regulatory regime, the Finance (No.2) Act, 2019 amended, the National Housing Bank Act, 1987, dated August 09, 2019, conferring powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India (RBI).

Consequently, the RBI on June 17, 2020, issued a draft for review of extant regulatory framework for HFCs, and had invited comments from the industry on the same. After considering the inputs received from the industry, the RBI, on October 22, 2020 issued the Regulatory Framework for HFCs (‘Regulations’). After the Regulations were notified, the regulatory framework for HFCs became patchy as requirements came in from different sources and the need for a single point reference was felt.

RBI has compiled and released “Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 on February 17, 2021 (“RBI Directions”) for the better functioning of the financial system and HFCs. The current Master Directions also consolidates



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and repeals the directions issued by NHB and indicates the List of NBFC regulations applicable to HFCs. These master directions have come into effect from February 17, 2021.

**(iv) Principal business criteria:**

In accordance with circular DOR.NBFC(HFC). CC.No.118/03.10.136/2020-21 dated October 22, 2020 and conditions specified in Master Directions-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 (“**RBI Directions**”) for the Company to continue to carry out activities of Housing Finance, the company was asked by National Housing bank via letter dated March 18, 2021 to submit the details regarding fulfilment of the conditions specified therein.

Thus, in respect with the same the Company has duly submitted the details of the key parameters (as asked for) to NHB based on both *Audited and Provisional Financials of March 31, 2020* on March 31, 2021.

**PORTFOLIO GROWTH AND ASSET QUALITY**

**Loan Portfolio & Net Owned Funds**

The portfolio of the company has grown to INR 7690.98 Million as on March 31, 2021 from INR 7657.80 Million in March 31, 2020 in spite of slow and slurr economic environment. The portfolio distribution for the Financial year 2020-21 in comparison to previous financial year is presented as under:

| S. No | Particulars                  | 2020-21<br>Amount<br>(Million) | 2020-21<br>(Percentage) | 2019-20 Amount<br>(Million) | 2019-20<br>(Percentage) |
|-------|------------------------------|--------------------------------|-------------------------|-----------------------------|-------------------------|
| 1.    | <b>Housing Loans</b>         | 6246.5                         | 81.22%                  | 6191.70                     | 80.85%                  |
| 2.    | <b>Non-Housing<br/>Loans</b> | 1256.5                         | 16.34%                  | 544.20                      | 7.11%                   |
| 3.    | <b>Corporate Loans</b>       | 188                            | 2.44%                   | 921.90                      | 12.04%                  |
|       | <b>Total</b>                 | <b>7690.98</b>                 | <b>100</b>              | <b>7657.80</b>              | <b>100</b>              |

Further, the percentage of loans extended to Housing and Non-Housing sectors has increased from previous year, the decline comes from the “Corporate loan” sector where no new loans has been extended and repayment being received from time to time.

Further, during the financial year 2020-21, due to the outbreak of COVID-19 pandemic and complete lock-downs in the first quarter, there was a slight negative impact on the sanctions and disbursements of the Company, however the Company has managed to gain recovery and has attain stability on the new sanctions and disbursements.

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



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The Net owned funds of the Company stood at ₹ 5832.56 Million as on March 31, 2021 as compare to ₹ 5396.07 Million as on March 31, 2020.

**Credit Evaluation and NPA Levels**

During the Financial due to the impact of COVID-19 pandemic and imposed country-wide lockdown in Q1, the NPA levels of the Company has shown an increasing trend, however, with the implementation of “Collection Incentive scheme” and “Strong follow-up strategies” the delinquency rate has been efficiently controlled.

Also, the Company as per the Resolution framework implemented has restructured 80 borrower accounts and has granted moratorium period to the eligible borrowers as per the applicable rules and guidelines.

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

The amount of Gross NPA as on March 31, 2021 is ₹ 38.8 Million against which the Company has as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 has fulfilled the requirement for maintenance of the required provisions.

The Gross NPA level stood at 0.50 % and Net NPA stood at 0.33% as on March 31, 2021.

**ECL provisioning**

In accordance with Ind AS 109, the Company measures expected credit losses on its financial instruments and has a process to assess credit risk of all exposures at each year end. Accordingly, the Company has created adequate ECL provisioning as required. Details of the same are part of the notes to accounts of the audited financials for March 31, 2021.

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

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

**Capital Adequacy Ratio (CRAR)**

The company is maintaining a healthy CRAR of 76.37 % which is higher than the prescribed minimum CRAR as per Master Direction – Non-Banking Financial Company – Housing Finance Company



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(Reserve Bank) Directions, 2021 as amended from time to time. Below mentioned are the details of CRAR of Tier I and Tier II Capital.

| Particulars                      | March 31, 2021 | March 31, 2020 |
|----------------------------------|----------------|----------------|
| (i) CRAR (%)                     | 76.37%         | 79.11%         |
| (ii) CRAR – Tier I Capital (%)   | 76.05%         | 78.62%         |
| (iii) CRAR – Tier II Capital (%) | 0.32%          | 0.49%          |

### **Dividend**

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

### **Amount Proposed to Be Carried to Reserves**

The break-up of the amounts/profits proposed to be carried to reserves for FY 2020-21, is set out herein below:

(₹ in Million)

| Particulars                               | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Capital Redemption Reserve                | -              | -              |
| Reserve Fund u/s Sec 29C of NHB Act, 1987 | 114.18         | 61.54          |

## **STATE OF COMPANY AFFAIRS**

### **Share Capital**

During FY 2020-21, the issued, subscribed and paid-up share capital of the Company underwent following changes:

#### **1. Change in Authorized Share Capital**

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

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

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

**b) Issuance of Equity Shares:**





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During the financial year 2020-21, the Company has made the allotment 18,64,618 equity shares for an amount aggregating to Rs 52.77 million (*Including share premium*). Further, the company also made first call on the partly paid shares amounting to Rs 12.35 million (*Including premium*).

### 3. Issue of Convertible Share Warrants

During the year under review, the Company offered and allotted fully convertible share warrants (“Warrants”) convertible into Class A equity shares of the Company within a period of 60 months as under :

| S. No | Particulars of Warrant Allotment  | Date of Issuance   |
|-------|---|--------------------|
| 1.    | <u>Issuance of 22,56,057 convertible Share Warrants on Preferential Basis which shall upon conversion rank pari-passu with the existing Class A equity shares of the Company to identified employees of the Company</u> | September 18, 2020 |
| 2.    | <u>Issuance of 4,44,300 convertible Share Warrants on Preferential Basis convertible into Class A Equity shares of the Company to identified employees of the Company</u>   | January 25, 2021   |
| 3.    | <u>Issuance of 2,35,000 convertible share warrants on preferential allotment basis convertible into Class A equity shares of the Company to Mr. Sanjiv Syal ,Consultant of the Company.</u>                             | January 25, 2021   |

## 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, and as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India on February 17, 2021 and other applicable laws.

During the year under review, the composition of the Board has changed as below:

#### • Appointment/ Re-appointment of Director(s)

During the year under **Mr. Nipendar Kochhar (DIN: 02201954)** was appointed as an Additional Director (Category-Independent) of the Company in the meeting of the Board of Directors held on December 09, 2020, further, his appointment was regularized in the Extra-ordinary general meeting held on January 25, 2021.

#### Director(s) Disclosure:

In accordance with the guidelines for Corporate Governance issued by Reserve Bank of India vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank)



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Directions, 2021, directors are required to meet fit and proper criteria prescribed by RBI. Accordingly, all Directors of the Company have confirmed compliance with and proper criteria/ norms, prescribed under the guidelines on Corporate Governance issued by RBI

Your Company has also received declarations from all the Directors in terms of Section 164 of the Act and in terms of circulars, notifications and directions issued by Reserve Bank of India, confirming that they are not disqualified from being appointed as Director of the other companies.

**Key Managerial Personnel**

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

**Human Resource**

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

During the financial year company has hired experienced and efficient employees from the industry, so that they can help in achieving the company's goal. As on March 31, 2021 total number of employees of the company stood at 281 as compared to March 31, 2020, where the number of employees of the company were on 338.

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

Further, during the FY 2020-21 no training programs were conducted by National Housing Bank.

**SUBSIDIARIES/ASSOCIATES COMPANIES**

The company do not have any subsidiary or associate company as on March 31, 2021.

**CREDIT RATING**

During the Financial Year 2020-21, the company obtained following credit ratings: :

| Name of Rating Agency | Limit<br>(Rs. in Millions) | Type of Facility          | Rating Changes               |                        | Date of Change/Assignment | Remarks   |
|-----------------------|----------------------------|---------------------------|------------------------------|------------------------|---------------------------|---|
|                       |                            |                           | At the beginning of the year | Change during the year |                           |   |
| CARE Ratings          | 1000                       | Long term Bank Facilities | CARE AA-(SO); Stable         | CARE AA-(CE); Negative | 6th April 2020            | No New Ratings assigned & withdrawn during the year |



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|                    |      |                                 |                    |                    |                 |   |
|--------------------|------|---------------------------------|--------------------|--------------------|-----------------|---|
| Brickworks Ratings | 4000 | Non-Convertible Debentures      | BWR AA-(CE)/Stable | BWR AA-(CE)/Stable | 20th March 2021 | Rating Withdrawn of Rs 150 Cr during the year |
| Brickworks Ratings | 3500 | Fund-based Bank Loan Facilities | BWR AA-(CE)/Stable | BWR AA-(CE)/Stable | 20th March 2021 | Rating Assigned of 250 Cr during the year     |
| ICRA Ratings       | 500  | Long-term Fund Based            | NA                 | [ICRA]AA-(Stable)  | 31st March 2021 | Rating Assigned of Rs 50 Cr during the Year   |

**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 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India on February 17, 2021 (“RBI Master Directions”), and various circulars issued by National Housing Bank and Reserve Bank of India from time to time, the Board of Directors of the company had passed a resolution on April 06, 2021 confirming that the company will neither hold nor accept any “Public Deposits” as defined by RBI Master Directions, during the financial year from April 01, 2021 to March 31, 2022.

**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, 2021) 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



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stock options not exceeding 5% of the Fully Diluted Equity Capital of the Company as on the Option Grant Date.

Further, the Company in the Nomination Committee has proposed and approved DMI HFC ESOP Plan 2020 and DMI HFC Employment Contract 2020 ("Schemes") as per the DMI HFC ESOP Plan 2018 and has granted options under the said schemes.

During the financial year under review, 12,50,189 fresh options were granted under DMI HFC ESOP Plan 2020 and DMI HFC Employment 2020 schemes of the Company; however, nil stock options were vested and exercised as on March 31, 2021. A brief snapshot of the total options granted/lapsed under various ESOP Schemes is laid down as below:

| Name of the Scheme               | Options Outstanding at the beginning of the year | Options Granted  | Options Lapsed  |
|----------------------------------|--|------------------|-----------------|
| DMI HFC ESOP Plan 2018           | 3,49,316   | -                | -               |
| DMI HFC Retention Plan, 2018     | 8,25,358   | -                | -               |
| DMI HFC ESOP Plan 2019           | 18,71,876  | -                | 82,391          |
| DMI HFC ESOP Plan Management     | 26,33,803  | -                | -               |
| DMI HFC ESOP Plan 2020           | -  | 12,31,722        | 1,18,366        |
| DMI HFC Employment Contract 2020 | -  | 18,467           | -               |
| <b>Total</b>                     | <b>56,80,353</b>                                 | <b>12,50,189</b> | <b>2,00,757</b> |

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

- Options granted during the FY 2020-21: 12,50,189
- Options vested: NIL
- Options exercised: NIL
- Total number of shares arising as a result of exercise of option: NIL
- Options lapsed: 2,00,757
- Exercise price: NIL
- Variation of terms of options: NIL
- Money realized by exercise of options: NIL
- Total number of options in force: 67,29,785

**Employee wise details of options granted to:**

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



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**BOARD MEETINGS**

The Board met 6 (Six) times during the financial year 2020-21 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.     | June 05, 2020         |
| 2.     | July 03, 2020         |
| 3.     | September 18, 2020    |
| 4.     | December 09, 2020     |
| 5.     | January 25, 2021      |
| 6.     | March 18, 2021        |

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 2020-2021 is given below:

| Name of the Directors      | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Director | 6   | 6        | 6        |
| Mr. Gaurav Burman          | Director | 6   | 6        | 6        |
| Mr. Shivashish Chatterjee  | Director | 6   | 6        | 3        |
| Mr. Yuvraja Chanakya Singh | Director | 6   | 6        | 6        |
| Mr. Nipendar Kochhar       | Director | 6   | 2        | 1        |

**BOARD COMMITTEES**

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. There are 8 Committees constituted by the Board namely Audit Committee, Loan Investment and Borrowing Committee, Risk Management Committee, Nomination and Remuneration Committee, Asset Liability Committee, Securities Allotment Committee, IT strategy Committee and Corporate Social Responsibility Committee.



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During the Financial year under review following Committee was re-constituted pursuant to Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 (*as amended from time to time*) and as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“*RBI Master Directions*”) effective from February 17, 2021.

- a) **Audit Committee:** Pursuant to the appointment of Mr. Nipendar Kochhar, as Additional Director of the Company on December 09, 2020 (*appointment regularized in the Extra-ordinary general meeting held on January 25, 2021*), the Audit Committee was reconstituted as under:

| Name of the Committee | Members-Before Re-constitution | Members-After Reconstitution |
|-----------------------|--------------------------------|------------------------------|
| Audit Committee       | Mr. Tammir Amr                 | Mr. Tammir Amr               |
|                       | Mr. Gaurav Burman              | Mr. Gaurav Burman            |
|                       | Mr. Shivashish Chatterjee      | Mr. Shivashish Chatterjee    |
|                       | Mr. Yuvraja Chanakya Singh     | Mr. Nipendar Kochhar         |
|                       | -                              | Mr. Yuvraja Chanakya Singh   |

- b) **Nomination and Remuneration Committee:** Pursuant to RBI Master Directions, it is required for every Housing Finance Company to form a Nomination and Remuneration Committee having powers, functions and duties as laid down in relevant provisions of Section 178 of the Companies Act, 2013. Although, the Company already had in place “Nomination Committee” with defined set of responsibilities which has been re-constituted as “**Nomination and Remuneration Committee**” per the RBI Master Directions on March 18, 2021.

Further, the composition of all the Committees as on March 31, 2021 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 2020-21 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 2020-21 viz. on July 03, 2020, September 18, 2020, December 09, 2020 and March 18, 2021. The attendance of the members is as follows:

| Name of the Members        | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 4   | 4        | 3        |
| Mr. Gaurav Burman          | Member   | 4   | 4        | 3        |
| Mr. Shivashish Chatterjee  | Member   | 4   | 4        | 0        |
| Mr. Yuvraja Chanakya Singh | Member   | 4   | 4        | 4        |
| Mr. Nipendar Kochhar       | Member   | 4   | 1        | 1        |



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

One Loan Investment and Borrowing Committee Meetings were held during the financial year 2020-21 viz. on March 17, 2021. The attendance of the members is as follows:

| Name of the Members        | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 1   | 1        | 0        |
| Mr. Gaurav Burman          | Member   | 1   | 1        | 0        |
| Mr. Jatinder Bhasin        | Member   | 1   | 1        | 1        |
| Mr. Shivashish Chatterjee  | Member   | 1   | 1        | 0        |
| 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 2020-21 viz. on June 05, 2020, September 17, 2020, December 09, 2020 and March 17, 2021. The attendance of the members is as follows:

| Name of the Members        | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 4   | 4        | 4        |
| Mr. Gaurav Burman          | Member   | 4   | 4        | 4        |
| Mr. Rajul Bhargava         | Member   | 4   | 4        | 4        |
| Mr. Shivashish Chatterjee  | Member   | 4   | 4        | 1        |
| Mr. Yuvraja Chanakya Singh | Member   | 4   | 4        | 4        |

➤ **Nomination Committee**

Two Nomination Committee Meetings were held during the financial year 2020-21 viz. on April 09, 2020 and December 09, 2020. The attendance of the members is as follows:

| Name of the Members*       | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 2   | 2        | 2        |
| Mr. Gaurav Burman          | Member   | 2   | 2        | 2        |
| Mr. Shivashish Chatterjee  | Member   | 2   | 2        | 1        |
| Mr. Yuvraja Chanakya Singh | Member   | 2   | 2        | 2        |



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➤ **Asset Liability Committee (ALCO)**

Two ALCO Committee meetings were held during the financial year 2020-21 viz. on September 18, 2020 and March 18, 2021. The attendance of the members is as follows:

| Name of the Members        | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 2   | 2        | 2        |
| Mr. Gaurav Burman          | Member   | 2   | 2        | 2        |
| Mr. Jatinder Bhasin        | Member   | 2   | 2        | 2        |
| Mr. Shivashish Chatterjee  | Member   | 2   | 2        | 1        |
| Mr. Sahib Pahwa            | Member   | 2   | 2        | 2        |
| Mr. Yuvraja Chanakya Singh | Member   | 2   | 2        | 2        |

➤ **Security Allotment Committee**

One Securities Allotment Committee Meetings were held during the financial year 2020-21 on below mentioned dates.

| S. No. | Date of Committee Meeting |
|--------|---------------------------|
| 1.     | January 25, 2021          |

The attendance of the members is as follows:

| Name of the Members        | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 1   | 1        | 0        |
| Mr. Gaurav Burman          | Member   | 1   | 1        | 0        |
| Mr. Jatinder Bhasin        | Member   | 1   | 1        | 1        |
| Mr. Shivashish Chatterjee  | Member   | 1   | 1        | 0        |
| Mr. Sahib Pahwa            | Member   | 1   | 1        | 1        |
| Mr. Yuvraja Chanakya Singh | Member   | 1   | 1        | 1        |

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

➤ **Corporate Social Responsibility Committee**

Two Corporate Social Responsibility (CSR) Committee meetings were held during the financial year 2020-21 on September 18, 2020 and March 18, 2021. The attendance of the members is as follows:

| Name of the Members | Category | Number of meetings held during the financial year 2020-21 |
|---------------------|----------|---|
|---------------------|----------|---|





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|                            |        | Held | Entitled | Attended |
|----------------------------|--------|------|----------|----------|
| Mr. Tammir Amr             | Member | 2    | 2        | 2        |
| Mr. Gaurav Burman          | Member | 2    | 2        | 1        |
| Mr. Shivashish Chatterjee  | Member | 2    | 2        | 0        |
| Mr. Yuvraja Chanakya Singh | Member | 2    | 2        | 2        |

➤ **IT Strategy Committee**

Three IT Strategy Committee meetings were held during the financial year 2020-21 viz. on July 03, 2020 and February 12, 2021. The attendance of the members is as follows:

| Name of the Members        | Category | Number of meetings held during the financial year 2020-21 |          |          |
|----------------------------|----------|---|----------|----------|
|                            |          | Held  | Entitled | Attended |
| Mr. Tammir Amr             | Member   | 2   | 2        | 2        |
| Mr. Jatinder Bhasin        | Member   | 2   | 2        | 0        |
| Mr. Rajul Bhargava         | Member   | 2   | 2        | 2        |
| Mr. Saurabh Nigam          | Member   | 2   | 2        | 2        |
| Mr. Devendra Sharma        | Member   | 2   | 2        | 2        |
| Mr. Manish Srivastava      | Member   | 2   | 2        | 2        |
| Mr. Manikant R. Singh      | Member   | 2   | 2        | 0        |
| Mr. Shivashish Chatterjee  | Member   | 2   | 2        | 2        |
| Mr. Yuvraja Chanakya Singh | Member   | 2   | 2        | 2        |

**General Meetings**

➤ **Annual General Meeting**

During the year under review, the Annual General Meeting of the Company for the Financial Year ended March 31, 2020 was held on September 18, 2020.

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

During the year under review, three Extra-ordinary General Meeting(s) (EGM) of the Company were held during the financial year 2020-21. The Members accorded their approval in the requisite manner for the matters taken in the respective EGMs.

| S. No. | Date of Extra-ordinary general meeting |
|--------|--|
| 1.     | June 10, 2020                          |
| 2.     | January 25, 2021                       |
| 3.     | March 18, 2021                         |

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**



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

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

The Company was required to spend Rs.23,61,132/- (Rupees Twenty-Three Lakh Sixty One Thousand One Hundred and Thirty Two Only) towards CSR activities during the year and has incurred CSR expenditure of Rs.24,00,000/- (Rupees Twenty Four Lakh Only).

The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board in the meeting held on September 11, 2019. Further, the Policy has undergone following amendments as given under pursuant to the developments and amendments in the regulation from time to time and the same has been put up on the Company's website and available at [https://www.dmihousingfinance.in/pdf/DMI-HFC\\_Corporate-Social-Responsibility-Policy.pdf](https://www.dmihousingfinance.in/pdf/DMI-HFC_Corporate-Social-Responsibility-Policy.pdf)

| S. No | Particulars of Amendment   | Policy change/effective Date |
|-------|--|------------------------------|
| 1.    | In accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020 dated August 24, 2020, the Company is required to amend its CSR policy giving effect to the following:<br>-Excluding "Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of the Company". | September 18, 2020           |
| 2.    | Pursuant to related provisions of The Companies (Amendment) Act, 2019 coming into effect from January 22, 2021 and introduction of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021.  | March 18, 2021               |

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

**PARTICULARS OF INVESTMENTS LOANS AND GUARANTEES**

The Company being a Housing Finance Company registered with the National Housing Bank (NHB) primarily engaged in the business of providing Housing Loans exempted from provisions of Section 186 of the Companies Act, 2013("Act"). Accordingly, there are no details of particulars of loans, guarantees or investments that 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 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021 (“RBI Directions”), (as amended from time to time), the Company 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 RBI Directions:**

- 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 RBI Directions 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/pdf/Related-Party-Transaction-Policy\\_11092019.pdf](https://www.dmihousingfinance.in/pdf/Related-Party-Transaction-Policy_11092019.pdf)

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

### **RISK MANAGEMENT POLICY**

In accordance with Housing Finance Companies – (NHB) Directions, 2010 as amended from time to time and the Companies Act, 2013, the Company has Board approved Risk Management Policy. The Board constituted Risk Management Committee and Audit Committee responsible for monitoring the progress of the Risk Control Matrix and loan portfolio and to establish standards to mitigate risks related to operations, credit, compliance, finance.

Further, the Company is in the process of reviewing the said policy in accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced by Reserve Bank of India on February 17, 2021 and shall take the necessary actions as may be required in near future.

#### **Development and implementation of Risk Control Matrix (RCM)**

Key components of an organization’s risk management framework is the Risk Control Matrix (‘RCM’) which systematically captures key risks (operational, regulatory and financial) and mitigating internal controls. It enables assessment of key controls through testing of data pertaining to each control - control description, financial statement assertions, test procedures and management action plans, etc.

Backward integration of RCMs with existing risk-control assurance platforms would assist in addressing key requirements of Internal Financial Controls (‘IFC’), under the Companies Act, 2013.



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Further, Internal Audit has moved towards RCM centric approach wherein all identified and documented risks of all Functions/ Departments are getting covered in an audit cycle depending on their risk category. High Risks are covered on a Quarterly basis, Medium Risks on a Half-yearly basis and Low Risks on an Annual basis.

During Q4, F.Y. 2020-21, Internal Audit has covered identified risks and controls of all the functions as per the audit cycle defined basis their risk category. The status and summary update is given below:

- Controls pertaining to High and Medium category risks were covered during the audit period i.e. January to March 2021.
- Similarly, a total of 228 Controls (against 106 risks) were reviewed for DMI HFC.
- Risks not reviewed, deficiencies observed in risks reviewed, if any, are included in the Internal Audit Report and Executive Summary of Internal Audit for DMI HFC.

**Key benefits of RCM**

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

**Key Activities - Strengthening the Risk Control Matrices**

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

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

**Testing of Implemented Controls**

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

**Reporting to Risk Committee and Audit Committee**

- Reporting to Risk Committee and Audit Committee and thereafter to the Board of Directors;
- Updated RCMs to be provided to management.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;



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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

**Broadly the objectives of the project assigned are: -**

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

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

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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



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**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

(Million)

| Particulars                        | March 31, 2021 | March 31, 2020 |
|------------------------------------|----------------|----------------|
| Subscription and License Fee       | 0.36           | 0.39           |
| Interest on bonds for Non-resident | -              | 10.84          |

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

During the Financial year under review National Housing Bank (NHB) has conducted Inspection of the Company as per the provisions of the NHB Act, 1987 with reference to its position as on for the Financial year 2018-19 and 2019-20. The Company has successfully addressed the comments and requirements during the Inspection process within the specified timelines and submitted the same with NHB.

Also, the Company has been imposed an aggregate penalty of Rs.23,55,000/- (*Rupees Twenty Three Lakhs and Fifty Five Thousand Only*) plus applicable GST by National Housing Bank basis the shortcomings observed by the team in the Inspection process.

The Company has duly paid the penalty within prescribed timeline as laid down by National Housing Bank ("NHB") vide letter bearing reference no. NHB (ND)/HFC/DOS/Sup.(Insp)/OUT00871/2021 dated February 25, 2021 with respect to the observations as mentioned in Inspection of DMI Housing Finance Private Limited conducted as per provisions of the NHB Act, 1987- for 31-03-2019 & 31-03-2020.

The details of levy of the aforesaid penalty by NHB is given on the website of the Company at <https://www.dmihousingfinance.in/>Quicklinks>Notice>

Other than the above 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.



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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/pdf/Whistle-Blower-Policy-Fraud-Prevention-Vigil-Mechanism.pdf>

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

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

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

**Scope of the Policy:**

The provisions of this policy are applicable to:



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

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

No Complaint was received under POSH during the year ended March 31, 2021.

**STATUTORY AND REGULATORY COMPLIANCE**

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

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

**REQUIREMENT FOR MAINTENANCE OF COST RECORDS**

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021, as amended from time to time, a Management Discussion and Analysis report should form part of the Annual Report. The Management Discussion and Analysis form part of this report.

**SECRETARIAL AUDITORS AND REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, the Board of Directors of the Company has appointed M/s VLA & Associates, Company Secretaries as the Secretarial Auditor of the Company to conduct the Secretarial Audit. for the financial year ended March 31, 2021. The Secretarial Audit Report given by the secretarial auditor in requisite form MR-3 is annexed to this Report as Annexure-D.





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

**STATUTORY AUDITORS**

S.R. Batliboi & Associates, LLP Chartered Accountants, Gurugram, Firm Registration No. 101049W ("firm") who are one of the leading firms of chartered accountants and adheres to high professional standards and benchmarks and who was re-appointed as the Statutory Auditors for a period of 4 (Four) years i.e. from 2020-2021 to 2023 to 2024 in the Annual general meeting of the Company held on September 18, 2020, as per the provisions of the Companies Act, 2013.

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

The Audit Report by Statutory Auditors for the FY 2021 in unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Further, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018, by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

**AUDITOR'S OBSERVATION**

The Directors have examined the Auditors' Report on accounts for the period ended March 31, 2021. The Auditors' Report along with the relevant disclosures is self-explanatory and has no qualification or adverse remarks.

**STATUTORY DISCLOSURES BY DIRECTORS**

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

**EXTRACTS OF ANNUAL RETURN**

Pursuant to the Clause (ii) of Section 23 of Companies (Amendment) Act, 2017 coming into effect on August 28, 2020 wherein for Section 92(3) following sub-section has been substituted:

*"Every Company shall place a copy of the Annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report".*

Thus, in respect to the above, the Annual return of the Company shall be published on the following website:

**[www.dmihousingfinance.in](http://www.dmihousingfinance.in)**



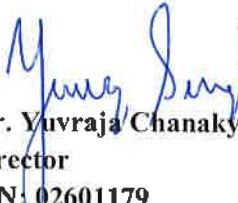
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**ACKNOWLEDGEMENTS**

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

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

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

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





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



**Place: New York**  
**Date: June 30, 2021**

**Place: New York**  
**Date: June 30, 2021**



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
**(For Financial Year commencing from April 01, 2020 to March 31, 2021)**

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

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

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

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

2. **The composition of CSR Committee:**

| S. No | Name of Director           | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|-------|----------------------------|--------------------------------------|--|--|
| 1.    | Mr. Tammir Atrr            | Director                             | 2  | 2  |
| 2.    | Mr. Gaurav Burman          | Director                             | 2  | 1  |
| 3.    | Mr. Shivashish Chatterjee  | Director                             | 2  | 0  |
| 4.    | Mr. Yuvraja Chanakya Singh | Director                             | 2  | 2  |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.dmihousingfinance.in/policy.php>
4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NOT APPLICABLE**



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

| S. No | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be setoff for the financial year, if any (in Rs) |
|-------|----------------|---|---|
| NA    | NA             | NA  | NA  |

6. Average net profit of the company as per section 135(5): Rs.11,80,56,587/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.23,61,132/-

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.23,61,132/-

8. CSR amount spent or unspent for the financial year:

| Total Amount Spent for The Financial Year (inRs.) | Amount Unspent (In Rs.)   |                  |   |        |                  |
|---|---|------------------|---|--------|------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|   | Amount  | Date Transfer Of | Name Fund Of  | Amount | Date Transfer of |
| 24,00,000   | Nil   | Nil              | Nil   | Nil    | Nil              |

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

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

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



**DMI HOUSING FINANCE PRIVATE LIMITED**  
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| (1)<br>S.no. | (2)<br>Name of Project  | (3)<br>Item from the list of activities in Schedule VII to the Act.   | (4)<br>Local Area (Yes/No) | (5)<br>Location of the Project (State/District)   | (6)<br>Amount Spent for the project (in Rs.). | (7)<br>Mode of Implementation -Direct (Yes/No) | (8)<br>Mode of Implementation -Through Implementing Agency (Name and CSR Reg No.) |
|--------------|-------------------------|---|----------------------------|---|---|--|---|
| 1.           | Anushruti IIT (Roorkee) | Education and Life skills   | No                         | The school is run by professors of IIT-R to deliver quality education to children with speech and hearing impairments in and around Roorkee.  | 4,00,000                                      | Yes  | IIT (Roorkee)-Reg No.: CSR00003687  |
| 2.           | Param Shakti Peeth      | Promoting education, including special education and employment enhancing vocation skills especially among children | No                         | Program name: Vasuki Shreyam<br>Program Location: Vrindavan, Mathura Road<br>Program Goal: To rehabilitate the marginalized children of Sapera (snake charmer) community of Braj-Mathura region | 20,00,000                                     | Yes  | Param Shakti Peeth - Reg No- CSR00000072  |

(d) Amount Spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 24,00,000

(g) Excess amount for set off, if any: 38,868/- (available for set off in succeeding financial years)

| S. No | Particular  | Amount (in Rs.) |
|-------|---|-----------------|
| (i)   | Two percent of average net profit of the company as per section 135(5)                                      | 23,61,132/-     |
| (ii)  | Total amount spent for the Financial Year   | 24,00,000/-     |
| (iii) | Excess amount spent for the financial year [(ii)-(i)]   | 38,868/-        |
| (iv)  | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NA              |
| (v)   | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 38,868/-        |

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



**DMI HOUSING FINANCE PRIVATE LIMITED**  
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| S.no. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                 |                  | Amount remaining to be spent in succeeding financial year (in Rs.) |
|-------|--------------------------|--|--|--|-----------------|------------------|--|
|       |                          |  |  | Name of Fund   | Amount (in Rs.) | Date of Transfer |  |
| Nil   | Nil                      | Nil  | Nil  | Nil  | Nil             | Nil              | Nil  |

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

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

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

- Date of creation or acquisition of the capital asset(s): NA
- Amount of CSR spent for creation or acquisition of capital asset: NA
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

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

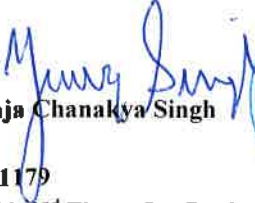
In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been duly approved by the Board and amended from time to time as and when required. The focus of the CSR agenda was to create a consistent, holistic, sustainable development program for the marginalized, underprivileged urban poor. During the course of the year, the Company engaged with various organizations to pursue and drive the identified agenda/programs. For the year ended March 31, 2021, the Company was required to spend Rs.23,61,132/- under CSR for F.Y. 2020-21 as prescribed under Section 135 of the Companies Act, 2013. The Company had disbursed full amount of Rs. 24,00,000/- during the financial year 2020-21.



**DMI HOUSING FINANCE PRIVATE LIMITED**  
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The CSR committee confirms that the implementation and monitoring of CSR policy, follows CSR objectives and Policy of the company.

**For DMI Housing Finance Private Limited**

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



**Place:** *New York*  
**Date:** **June 30, 2021**



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



**Place:** *New York*  
**Date:** **June 30, 2021**



**DMI HOUSING FINANCE PRIVATE LIMITED**  
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**Annexure-B**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

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

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

| (a) Name(s) of the related party and nature of relationship   | (b) Nature of contracts/arrangements/ transactions   | (c) Duration of the contracts / arrangements/ transactions | (d) Salient terms of the contracts or arrangements including the value, if any:  | (e) Justification for entering into such contracts or arrangements or transactions | (f) date(s) of approval by the Board or Committee | (g) Amount paid as advances, if any: |
|---|--|--|--|--|---|--------------------------------------|
| <b>DMI Finance Private Limited (DMIF)</b><br><br>Nature: Group Company (a private company in which a director or manager or his relative is a member or director) | Sale of 135 secured, rated, listed redeemable Non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh Only) of Saha Estate Developers Private Limited to DMIF at existing market price. | NA   | DMIF to pay the Company amount equivalent to the market price of 135 secured, rated, listed redeemable non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh Only) of Saha Estate Developers Private Limited. | The transaction has been at Arm's Length Basis through secondary market.           | June 05, 2020                                     | Nil                                  |
| <b>Shivashish Chatterjee - Director</b>   | Allotment of 9,32,309 Equity shares allotted   | NA   | As per agreed terms provided   | There will be no change in   | <b>Issue Date:</b> January 25, 2021               | Rs.2,63,84,370/- (The                |





**DMI HOUSING FINANCE PRIVATE LIMITED**  
**Annual Report-2020-21**

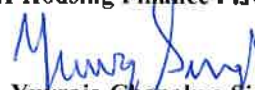
|  |  |    |  |  |   |  |
|--|--|----|--|--|---|--|
|  | at Face value of Rs.10/- each and Premium of Rs.18.30 Each                             |    | in the Offer Letter                              | the control of the Company as the maximum number of shares of the Company will be held by DMI Limited and the numbers of shares to be offered and allotted to the offerees will be less than 10% of the total paid up capital of the Company post conversion | <b>Allotment Date:</b><br>February 15, 2021   | excess amount of Rs 25.30 has been adjusted towards the share premium account)                       |
| <b>Yuvraja Chanakya Singh-Director</b> | Allotment of 9,32,309 Equity shares allotted at Face value of Rs.10/- each and Premium | NA | As per agreed terms provided in the Offer Letter | There will be no change in the control of the Company as the maximum number of   | <b>Issue Date:</b><br>January 25, 2021<br><b>Allotment Date:</b><br>February 15, 2021 | Rs.2,63,84,370/- (The excess amount of Rs 25.30 has been adjusted towards the share premium account) |



**DMI HOUSING FINANCE PRIVATE LIMITED**  
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|  |   |   |   |   |                   |  |
|--|---|---|---|---|-------------------|--|
|  | of Rs.18.30<br>Each   |   |   | shares of the<br>Company will<br>be held by<br>DMI Limited<br>and the<br>numbers of<br>shares to be<br>offered and<br>allotted to the<br>offerees will be<br>less than 10%<br>of the total paid<br>up capital of<br>the Company<br>post<br>conversion |                   | towards the<br>share<br>premium<br>account)  |
| <b>DMI Finance<br/>Private<br/>Limited<br/>(DMIF)</b><br><br><b>Nature:</b><br>Group<br>Company (a<br>private<br>company in<br>which a<br>director<br>or manager or<br>his relative is<br>a member or<br>director) | Resource<br>Sharing<br>Agreement<br>with DMIF<br>with the<br>objective of<br>resource<br>optimization to<br>meet the joint<br>requirement of<br>both the<br>parties. DMIF<br>has agreed to<br>second its<br>employees to<br>DMIHFC on<br>need basis in<br>accordance<br>with terms and<br>conditions of<br>this<br>Agreement. | Shall<br>continue to<br>be in force<br>unless<br>terminated<br>pursuant to<br>Clause 4 of<br>the said<br>Agreement. | DMIHFC to pay<br>DMIF a mutually<br>agreed amount<br>on the basis of<br>resource<br>allocation and<br>time-sheet every<br>Financial year<br>during the term<br>of the Agreement | As per the<br>agreed terms<br>and conditions  | March 18,<br>2021 | Cost of the<br>resources/s<br>ervices<br>as may be<br>mutually<br>agreed<br>between<br>DMIF and<br>DMIHFC. |

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

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

Place: New York  
Date: June 30, 2021

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

Place: New York  
Date: June 30, 2021



**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2021**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



**D-583, Chittaranjan Park, New Delhi-110019**

Mobile No. +91-9873715380, +91-8383014991

E-mail: ashukumar843@gmail.com

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **Not applicable during the audit period under review;**
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable during the audit period under review;**
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **Not applicable during the audit period under review;**
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, [*erstwhile The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009*]- **Not applicable during the audit period under review;**
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable during the audit period under review;**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- **Not applicable during the audit period under review;**
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- **Not applicable during the audit period under review**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable during the audit period under review;** and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable during the audit period under review.**
- vi. Other laws as applicable specifically to the Company:
  - a. The Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time;
  - b. The National Housing Bank Act, 1987;
  - c. The Housing Finance Companies (NHB) Directions, 2010;
  - d. RBI Master Directions as applicable to Housing Finance Companies; and



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

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

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

During the period under review the Company has complied with the provisions of the above referred Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors. Mr. Nipendar Kochhar was appointed as an Additional Director of the company w.e.f. from 09<sup>th</sup> December, 2020 and was regularized in the Extra Ordinary General Meeting held thereafter on 25<sup>th</sup> January, 2021.

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

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

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

**I further report that** that during the audit period, the Company has taken the following major decisions:

1. Articles of Association of the Company were amended / substituted / inserted at Annual General Meeting held on 18<sup>th</sup> September, 2020 by passing special resolution for the same.

2. During the financial year under review, the company made allotment of following securities,

| S. No. | Date of allotment | Type of security | No of security allotted | Face value (In Rs.) | Premium (In Rs.) | Exercise Price (applicable) |
|--------|-------------------|------------------|-------------------------|---------------------|------------------|-----------------------------|
|        |                   |                  |                         |                     |                  |                             |

|    |                                 |                               |             |    |       | <i>in case of Warrants)</i> |
|----|---------------------------------|-------------------------------|-------------|----|-------|-----------------------------|
| 1. | 25 <sup>th</sup> January, 2021  | Share Warrants                | 21,64,279   | 10 | 1.24  | 11.24                       |
| 2. | 25 <sup>th</sup> January, 2021  | Partly paid up equity shares* | 4,94,90,900 | 10 | 1.24  | NA                          |
| 3. | 15 <sup>th</sup> February, 2021 | Equity Share                  | 18,64,618   | 10 | 18.30 | NA                          |

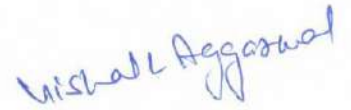
*[\*First call received on Partly paid-up equity shares on January 25, 2021 amounting to INR 1,23,45,700/- (comprising of face value of INR 0.22/- aggregating to INR 1,09,83,719 and premium of INR 0.03/- aggregating to INR 13,61,981/-)]*

**For M/s Kumar Mandal & Associates  
(Company Secretaries)**




**Asim Kumar Mandal**  
ACS No: A46621  
C P No.: 17039  
UDIN: A046621C000964285

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



**Vishal Lochan Aggarwal**  
ACS No: F7241  
C P No.: 7622

**Place: New Delhi**  
**Date: 30.06.2021**

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

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

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

**Management's Responsibility:-**

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

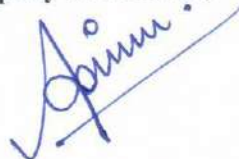
**Auditor's Responsibility:-**

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:-**

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

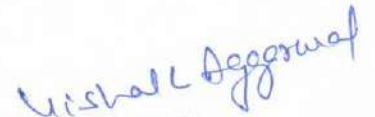
**For M/s Kumar Mandal & Associates  
(Company Secretaries)**



**Asim Kumar Mandal**  
ACS No: A46621  
C P No.:17039  
UDIN: A046621C000964285



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



**Vishal Lochan Aggarwal**  
ACS No: F7241  
C P No.: 7622

**Place: New Delhi**  
**Date: 30.06.2021**

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of DMI Housing Finance Private Limited

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

#### **Opinion**

We have audited the accompanying financial statements of DMI Housing Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

We draw attention to Note 38(a) of the financial statements which describes the uncertainties relating to the impact of COVID-19 pandemic on the Company's operations and financial metrics, including the expected credit losses. Our opinion is not modified in respect of this matter.

#### **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 financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

#### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
  - (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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Amit Kabra**

Partner

Membership Number: 094533



UDIN: 21094533AAAAGT1575

Gurugram

June 30, 2021

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management and audit procedure performed by us, 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.
- (iii) According to the information and explanations given to us and audit procedures performed by 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, goods and service tax, cess and other statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us and audit procedures performed by us, undisputed dues in respect of provident fund, employees' state insurance, income-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 Statute   | Nature of Dues   | Amount | Period to which it pertains |
|---|------------------|--------|-----------------------------|
| The Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Calling and Employments Act, 1976 | Professional Tax | 4,400  | Apr-20 to Sep-20            |
| The Punjab State Development Tax Act, 2018  | Professional Tax | 800    | Apr-20 to Sep-20            |

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.
- (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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provision of section 197, read with Schedule V to the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management and audit procedures performed by us, 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 and audit procedures performed by us, 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**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Amit Kabra**  
Partner

Membership Number: 094533



UDIN : 21094533AAAAGT1575

Gurugram

June 30, 2021

# ***S.R. BATLIBOI & ASSOCIATES LLP***

Chartered Accountants

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

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

We have audited the internal financial controls with reference to financial statements of DMI Housing Finance Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

## **Auditor's Responsibility**

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

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

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

## **Meaning of Internal Financial Controls with reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Amit Kabra**

Partner

Membership Number: 094533



UDIN: 21094533AAAAGT1575

Gurugram

June 30, 2021

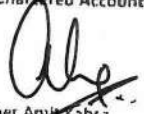
**DMI Housing Finance Private Limited**  
**Balance Sheet as at March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

| Particulars   | Notes        | As at March 31, 2021 | As at March 31, 2020 |
|---|--------------|----------------------|----------------------|
| <b>ASSETS</b>   |              |                      |                      |
| Cash and cash equivalents   | 4            | 285.43               | 730.91               |
| Bank balances other than cash and cash equivalents  | 4 (a)        | 77.58                |                      |
| Loans   | 5            | 2,575.97             | 6,969.62             |
| Investments   | 6            | 3,641.40             | 3,310.15             |
| Other financial assets  | 7            | 34.87                | 14.44                |
| <b>Non-financial assets</b>   |              |                      |                      |
| Current tax assets (net)  |              | 17.63                | 14.04                |
| Deferred tax assets (net)   | 16           |                      | 10.31                |
| Property, plant and equipment   | 8(a)         | 41.24                | 60.38                |
| Intangible assets under development   | 8(b)         | 0.65                 | 12.16                |
| Other intangible assets   | 8(c)         | 16.84                | 0.51                 |
| Other non-financial assets  | 9            | 25.35                | 14.64                |
| Assets held for sale  | 10           | 4.39                 |                      |
|   | <b>TOTAL</b> | <b>11,721.35</b>     | <b>11,137.16</b>     |
| <b>LIABILITIES AND EQUITY</b>   |              |                      |                      |
| <b>LIABILITIES</b>  |              |                      |                      |
| <b>Financial liabilities</b>  |              |                      |                      |
| <b>Payables</b>   |              |                      |                      |
| <b>(i) Trade Payables</b>   |              |                      |                      |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 11           |                      |                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |              | 0.94                 |                      |
| (ii) Other Payables   |              | 2.20                 | 5.32                 |
| (i) total outstanding dues of micro enterprises and small enterprises                       |              |                      |                      |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |              |                      |                      |
| Debt Securities   | 12           | 3,489.22             | 5,015.58             |
| Borrowings (other than Debt Securities)   | 13           | 2,308.32             | 286.40               |
| Other financial liabilities   | 14           | 16.32                | 241.51               |
| <b>Non-financial liabilities</b>  |              |                      |                      |
| <b>Provisions</b>   |              |                      |                      |
| Deferred tax liabilities (net)  | 15           | 23.73                | 19.47                |
| Other Non-financial liabilities   | 16           | 2.26                 |                      |
|   | 17           | 23.48                | 54.68                |
| <b>Equity</b>   |              |                      |                      |
| Equity share capital  | 18           | 4,859.05             | 4,829.41             |
| Other equity  | 19           | 995.83               | 684.79               |
|   | <b>TOTAL</b> | <b>11,721.35</b>     | <b>11,137.16</b>     |
| Summary of significant accounting policies  |              |                      |                      |
| 3   |              |                      |                      |

The accompanying notes are an integral part of the financial statements

As per our report of even date


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


  
 per Anil Kabra  
 Partner  
 Membership No. 094533




Place: Gurgaon  
 Date: 30/06/2021

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

  
 Shreshth Chatterjee  
 (Director)  
 DIN: 02623460  
 Place: New York  
 Date: 30/06/2021

  
 Yuvika Chanakya Singh  
 (Director)  
 DIN: 02601179  
 Place: New York  
 Date: 30/06/2021

  
 Shilpi Varshney  
 (Company Secretary)  
 Membership No: A31180  
 Place: NEW DELHI  
 Date: 30/06/2021



**DMI Housing Finance Private Limited**  
**Statement of profit and loss for the year ended March 31, 2021**  
 (All amount in Rs. In millions, except for share data unless stated otherwise)

| Particulars  | Notes | For the year March<br>31, 2021 | For the year March 31, 2020 |
|--|-------|--------------------------------|-----------------------------|
| <b>Revenue from operations</b>                           |       |                                |                             |
| Interest income  | 20    | 1,000.64                       | 849.24                      |
| Fees and commission income                               | 21    | 20.36                          | 35.93                       |
| Net gain on fair value changes                           | 22    | 101.27                         | 43.40                       |
| <b>Total revenue from operations</b>                     |       | <b>1,122.27</b>                | <b>928.57</b>               |
| Other income   | 21    |                                |                             |
| <b>Total Income</b>                                      |       | <b>1,122.27</b>                | <b>928.57</b>               |
| <b>Expenses</b>  |       |                                |                             |
| Finance Costs  | 23    | 403.16                         | 161.22                      |
| Impairment on financial instruments                      | 24    | (9.23)                         | 37.65                       |
| Employee Benefits Expense                                | 25    | 250.08                         | 307.20                      |
| Depreciation, amortization and impairment                | 6     | 26.94                          | 23.18                       |
| Other expenses   | 26    | 39.71                          | 26.73                       |
| <b>Total Expenses</b>                                    |       | <b>769.96</b>                  | <b>620.98</b>               |
| <b>Profit before tax</b>                                 |       | <b>352.31</b>                  | <b>307.59</b>               |
| Tax Expense  |       |                                |                             |
| (1) Current Tax  | 16    | 76.82                          | 87.64                       |
| (2) Deferred Tax   |       | 12.27                          | (11.16)                     |
| <b>Profit for the year</b>                               |       | <b>263.22</b>                  | <b>231.11</b>               |
| <b>Other Comprehensive Income</b>                        |       |                                |                             |
| a) Items that will not be reclassified to profit or loss |       |                                |                             |
| Actuarial gain (loss) on gratuity                        |       | 1.21                           | (0.30)                      |
| Income Tax Effect  |       | (0.33)                         | 0.08                        |
| <b>Other Comprehensive Income, net of income tax</b>     |       | <b>0.90</b>                    | <b>(0.22)</b>               |
| <b>Total Comprehensive Income for the year</b>           |       | <b>264.12</b>                  | <b>230.89</b>               |
| <b>Earnings per equity share</b>                         |       |                                |                             |
| Basic (Rs.)  | 27    |                                |                             |
| Diluted (Rs.)  |       | 0.49                           | 0.48                        |
| Nominal value per share (Rs.)                            |       | 0.49                           | 0.48                        |
| Summary of significant accounting policies               | 3     | 10.00                          | 10.00                       |

The accompanying notes are an integral part of the financial statements

As per our report of even date

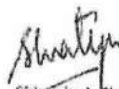
For S.R. Batliboi & Associates LLP  
 ICAI Firm Registration No. 101049W/E300004  
 Chartered Accountants




per Amit Kabra  
 Partner  
 Membership No. 094533



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

  
 Shubashish Chatterjee  
 (Director)  
 DIN: 02623460  
 Place: NEW YORK  
 Date: 30/06/2021

  
 Yuvraj Chanakya Singh  
 (Director)  
 DIN: 02601179  
 Place: NEW YORK  
 Date: 30/06/2021

  
 Shilpi Varshney  
 (Company Secretary)  
 Membership No: A31180  
 Place: NEW DELHI  
 Date: 30/06/2021



Place: Gurugram  
 Date: 30/06/2021



**DMI Housing Finance Private Limited**  
**Cash flow statement for the year ended March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

| Particulars   | Notes | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|---|-------|------------------------------|------------------------------|
| <b>A Cash flow from Operating Activities:</b>   |       |                              |                              |
| Net profit before tax as per statement of profit and loss   |       |                              |                              |
| Adjustments for   |       | 352.31                       | 307.59                       |
| Depreciation and amortisation   |       | 26.94                        | 23.18                        |
| Net gain on sale of investments   |       | (101.27)                     | (43.40)                      |
| Provision for impairment loss allowance   |       | (9.23)                       | 32.65                        |
| Provision for employee benefits   |       | 7.13                         | 7.35                         |
| Share based payments  |       | 4.14                         | 5.59                         |
| Interest income on loan   |       | (919.09)                     | (787.43)                     |
| Interest expense on borrowing   |       | 401.09                       | 160.41                       |
| Operating profit before working capital changes   |       | (237.98)                     | (294.06)                     |
| Changes in working capital  |       |                              |                              |
| (Increase)/Decrease in financial and other assets   |       | 297.15                       | (1,991.76)                   |
| Decrease in financial and other liabilities   |       | (227.37)                     | 193.49                       |
| Increase in non financial assets  |       | (20.31)                      | (105.92)                     |
| Increase/ (Decrease) in non financial liabilities   |       | (28.42)                      | 118.08                       |
| Total changes in working capital  |       | (217.14)                     | (2,367.15)                   |
| Direct Taxes paid   |       | (89.09)                      | 195.79                       |
| <b>Net cash flow from / (used in) Operating Activities (A)</b>                                    |       | <b>(306.23)</b>              | <b>(2,462.94)</b>            |
| <b>B Cash flow from Investing Activities:</b>   |       |                              |                              |
| Inflow (outflow) on account of :  |       |                              |                              |
| Investment in mutual fund   |       |                              |                              |
| Purchase of Property, plant and equipment (including capital work in progress)/ intangible assets | 8     | (1,089.95)                   | (1,070.88)                   |
| Purchase of investment in NCD   |       | 3.70                         | (54.81)                      |
| Sale of investment in NCD   |       |                              | (798.96)                     |
| <b>Net cash flow from / (used in) Investing Activities (B)</b>                                    |       | <b>859.97</b>                | <b>(1,924.65)</b>            |
| <b>C Cash flow from Financing Activities:</b>   |       |                              |                              |
| Issue of equity shares (including share premium)  |       |                              |                              |
| Deposit in Term Deposit   |       | 10.12                        | 4.48                         |
| Proceeds from borrowings  |       | (77.58)                      | -                            |
| Repayment of borrowings   |       | 2,021.93                     | 1,966.00                     |
| Interest paid on borrowing  |       | (1,526.35)                   | (210.51)                     |
| <b>Net Cash flow from / (used in) Financing Activities (C)</b>                                    |       | <b>401.09</b>                | <b>(160.41)</b>              |
| <b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>                               |       | <b>87.03</b>                 | <b>4,599.56</b>              |
| Cash and cash equivalents as at the beginning of the year   |       | (445.48)                     | 211.97                       |
| Cash and cash equivalents at the end of the year  |       | 730.91                       | 518.95                       |
| Components of cash and cash equivalents   | 4     | 285.43                       | 730.91                       |
| Cash in hand  |       |                              |                              |
| Balance with banks  |       | 0.04                         | 0.10                         |
| In current accounts   |       |                              |                              |
| <b>Total cash and cash equivalents</b>  |       | <b>285.43</b>                | <b>730.91</b>                |
| Summary of significant accounting policies  | 3     | 285.43                       | 730.91                       |

The accompanying notes are integral part of financial statements.

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

Note

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


As per our report of even date

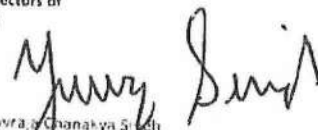
For S.R. Batliboi & Associates LLP  
 ICAI Firm Registration No. 101049W/E300004  
 Chartered Accountants

  
 per Amit Kundra  
 Partner  
 Membership No. 094533



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

  
 Shubhash Chatterjee  
 (Director)  
 DIN: 02623460  
 Place NEW YORK  
 Date 30/06/2021

  
 Yuvraaj Chanakya Singh  
 (Director)  
 DIN: 02601179  
 Place NEW YORK  
 Date 30/06/2021

  
 Shipri Varshney  
 (Company Secretary)  
 Membership No: A31180  
 Place NEW DELHI  
 Date 30/06/2021



Place Gurugram  
 Date 30/06/2021

**DMI Housing Finance Private Limited**  
**Statement of changes in equity for the year ended March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

**a. Equity Share Capital**

| Particulars  | No. of Shares | Amount   |
|--|---------------|----------|
| As at Apr. 1, 2019   |               |          |
| Issue of Equity share capital during the year ended March 31, 2020 (refer note 18) | 48,25,39,166  | 4,825.40 |
| As at March 31, 2020   | 4,96,20,981   | 4.01     |
| Issue of Equity share capital during the year ended March 31, 2021 (refer note 18) | 53,21,60,147  | 4,829.41 |
| As at March 31, 2021   | 18,64,618     | 29.63    |
|  | 53,40,74,755  | 4,859.05 |

**b. Other Equity**

| Particulars  | Equity Component<br>Compulsarily<br>Convertible<br>Preference Shares | Securities<br>premium<br>Account | Warrant premium | Reserve & Surplus                      |                                    |                      | Total  |
|--|--|----------------------------------|-----------------|--|------------------------------------|----------------------|--------|
|  |  |                                  |                 | Reserve U/s 29C of<br>the MHB Act 1987 | Share Based<br>Payments<br>Reserve | Retained<br>Earnings |        |
| <b>Balance as at 31 March 2019</b>                           |  |                                  |                 |  |                                    |                      |        |
| Profit for the year  |  | 447.51                           |                 | 15.36                                  | 5.78                               | (18.85)              | 449.80 |
| Other Comprehensive Income                                   |  |                                  |                 |  |                                    | 291.11               | 291.11 |
| <b>Total comprehensive income</b>                            |  |                                  |                 |  |                                    |                      | 740.91 |
| Add: issue of Equity Shares                                  |  |                                  |                 |  |                                    | (0.22)               | (0.22) |
| Add: during the year on Account of Employee Share<br>Options |  | 0.85                             |                 |  |                                    | 230.89               | 230.89 |
| Transferred to Reserve u/s 29C of the MHB Act 1987           |  |                                  |                 | 46.18                                  |                                    | (46.18)              |        |
| <b>At 31 March 2020</b>                                      |  | 447.99                           |                 | 61.54                                  | 15.40                              | 164.86               | 684.79 |
| Profit for the year  |  |                                  |                 |  |                                    | 267.22               | 267.22 |
| Other Comprehensive Income                                   |  |                                  |                 |  |                                    | 0.90                 | 0.90   |
| <b>Total comprehensive income</b>                            |  |                                  |                 |  |                                    |                      | 268.12 |
| Add: issue of Equity Shares                                  |  |                                  |                 |  |                                    | 264.12               | 264.12 |
| Add: during the year on Account of Employee Share<br>Options |  | 35.10                            |                 |  |                                    |                      | 35.10  |
| Add: Issue of Share Warrants                                 |  |                                  |                 |  | 6.44                               |                      | 6.44   |
| Transferred to Reserve u/s 29C of the MHB Act 1987           |  |                                  | 5.00            |  |                                    |                      | 5.00   |
| <b>At 31 March 2021</b>                                      |  | 477.47                           | 5.00            | 114.18                                 | 71.84                              | 376.34               | 995.83 |

The accompanying notes are integral part of financial statements


As per our report of even date


For S.R. Batliboi & Associates LLP  
 CA Registration No. 101049W/E200004  
 Chartered Accountants

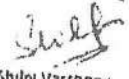
  
 per Anil Kabra  
 Partner  
 Membership No. 094533



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

  
 Shivashish Chatterjee  
 (Director)  
 DIN: 02623460  
 Place: NEW YORK  
 Date: 30/06/2021

  
 Yuvraj Chaturvedi  
 (Director)  
 DIN: 02601179  
 Place: NEW YORK  
 Date: 30/06/2021

  
 Shilpi Varshney  
 (Company Secretary)  
 Membership No: A31180  
 Place: NEW DELHI  
 Date: 30/06/2021



Place: Gurugram  
 Date: 30/06/2021

**DMI Housing Finance Private Limited**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

**1. Corporate Information**

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

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

**2. Basis of preparation**

**a. Statement of compliance in preparation of financial statements**

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

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

**b. Presentation of financial statements**

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

**3. Significant accounting policies**

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

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

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

**i) Impairment loss on financial assets**

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance. Refer note 38(a) for further details of the increased uncertainty relating to the estimation of impairment of loan portfolio due to the impact of the pandemic as at March 31, 2021.

**ii) Business Model Assumption**

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



**DMI Housing Finance Private Limited**

**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

**iii) Defined employee benefit assets and liabilities**

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

**iv) Share Based Payments**

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

**v) Fair value measurement**

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

**(b) Cash and cash equivalents**

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

**(c) Recognition of income and expense**

**i) Interest income**

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

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

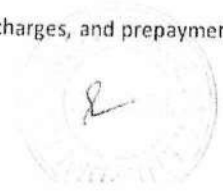
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest to the extent recoverable. If the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

**ii) Interest expense**

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

**iii) Other charges and other interest**

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



**iv) Dividend income**

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

**(d) Leases**

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

**Where the Company is lessee**

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

**i) Right-of-use assets**

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

**ii) Lease Liability**

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

**iii) Short Term Lease**

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

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

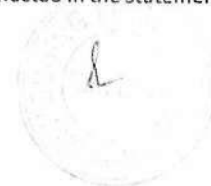
**PPE**

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

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

**Intangible fixed assets**

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



**DMI Housing Finance Private Limited**

Notes to financial statements for the year ended 31<sup>st</sup> March 2021.

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

**(f) Depreciation and amortization**

**Depreciation**

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

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

Leasehold improvements 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.

**(g) Provisions, Contingent Liability and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

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

Contingent Assets are not recognised in the financial statements.

**(h) Retirement and other employee benefits**

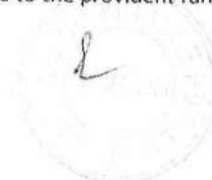
Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee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

The Company operates following employee benefit plans:

**i) Employee Provident Fund**

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

**ii) Gratuity**



**DMI Housing Finance Private Limited**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

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

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

**iii) Leaves**

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

**(i) Taxes**

Tax expense comprises current and deferred tax.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity) is recognised in correlation to the underlying transaction either in OCI or directly in equity.

**Minimum Alternate Tax (MAT)**

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

**Deferred tax**

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

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

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

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

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



**DMI Housing Finance Private Limited**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

**(j) Earning per share**

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

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

**(k) Share based payments**

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

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

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

**(l) Financial instruments**

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

**Financial Assets**

**Initial recognition and measurement**

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

**Classification and Subsequent measurement**

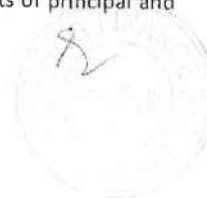
For purposes of subsequent measurement, financial assets are classified in four categories:

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

**Debt instrument/Loan portfolio at amortised costs**

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

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





**DMI Housing Finance Private Limited**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

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

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

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

***Debt instrument at FVOCI***

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

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

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit & Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

***Equity instruments and Mutual funds***

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

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

***Financial Liabilities***

***Initial recognition and measurement***

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

***Subsequent measurement***

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

***Reclassification of financial assets and liabilities***



**DMI Housing Finance Private Limited**

**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

**De-recognition of financial asset and financial liability**

**Financial Assets**

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

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

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

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

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

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

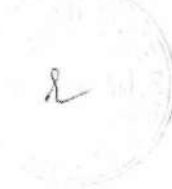
- The Company has transferred substantially all the risks and rewards of the asset  
or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

**Derecognition due to modifications in terms of contract**

The Company de-recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased Oriented Credit Impaired ("POCI").

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.



**DMI Housing Finance Private Limited**

**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

**Financial Liabilities**

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

**(m) Impairment of financial assets**

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

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

**Stage I**

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

**Stage II**

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

**Stage III**

All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage. Accordingly, the Company measures lifetime losses on such exposure. Interest revenue on such contracts is calculated by applying the effective interest rate to the amortized cost (net of impairment allowance) instead of the gross carrying amount. The method is similar to Stage II assets, with the probability of default set at 100%.

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

**Methodology for calculating ECL**

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

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

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

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

**Forward looking information**



**DMI Housing Finance Private Limited**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

**Definition of default and cure**

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

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

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

**Collateral repossessed**

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

**Write-offs**

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

For loan commitments, the ECL is recognised within Provisions.

**Non-financial assets**

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

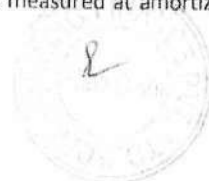
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(n) Fair value measurement**

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

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

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



**DMI Housing Finance Private Limited**  
**Notes to financial statements for the year ended 31<sup>st</sup> March 2021.**

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

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

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

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

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

**(o) Dividend Paid**

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

**(p) Functional and presentation currency**

**Initial recognition:**

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

**Conversion:**

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

**Exchange differences:**

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



**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

**4 Cash and cash equivalents**

| Particulars   | As at March 31,<br>2021 | As at March 31,<br>2020 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents                                       |                         |                         |
| Cash in hand  | 0.04                    | 0.10                    |
| Balance with banks  |                         |                         |
| In Current accounts   | 285.39                  | 730.81                  |
|   | <u>285.43</u>           | <u>730.91</u>           |
| <b>4 (a) Bank balances other than cash and cash equivalents</b> |                         |                         |
| Deposit with original maturity of more than 12 months.          | 77.58                   | -                       |
|   | <u>77.58</u>            | <u>-</u>                |

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

**5 Loans**

| At amortised cost   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Term Loan   | 7,615.47             | 7,009.19             |
| <b>Total (A) Gross</b>  | <b>7,615.47</b>      | <b>7,009.19</b>      |
| Less: Impairment loss allowance   | 39.50                | 39.57                |
| <b>Total (A) Net</b>  | <b>7,575.97</b>      | <b>6,969.62</b>      |
| Secured by tangible assets and intangible assets<br>Covered by Bank/Government Guarantees | 7,615.47             | 7,009.19             |
| Unsecured   |                      |                      |
| <b>Total (B) Gross</b>  | <b>7,615.47</b>      | <b>7,009.19</b>      |
| Less: Impairment loss allowance   | 39.50                | 39.57                |
| <b>Total (B) Net</b>  | <b>7,575.97</b>      | <b>6,969.62</b>      |
| Loans in India  |                      |                      |
| Public Sector   | -                    | -                    |
| Others  | 7,615.47             | 7,009.19             |
| <b>Total (C) Gross</b>  | <b>7,615.47</b>      | <b>7,009.19</b>      |
| Less: Impairment loss allowance   | 39.50                | 39.57                |
| <b>Total (C-I) Net</b>  | <b>7,575.97</b>      | <b>6,969.62</b>      |
| Loans outside India   | -                    | -                    |
| Less: Impairment loss allowance   | -                    | -                    |
| <b>Total (C-II) Net</b>   | <b>-</b>             | <b>-</b>             |
| <b>Total (C-I) and (C-II)</b>   | <b>7,575.97</b>      | <b>6,969.62</b>      |

- i) Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or personal guarantees and/or hypothecation of assets.
- ii) Loans sanctioned but un-disbursed amount is Rs. 689.12 Mn as on March 31, 2021 (2020- Rs. 907.95 Mn)
- iii) The Company has sanctioned certain loans to staff amounting to Rs. 5.61 Mn as on March 31, 2021 (2020- Rs. 8.46 Mn)

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
**(All amount in Rs. in millions, except for share data unless stated otherwise)**

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

Summary of loans by stage distribution is as follows:

| Particulars                       | March 31, 2021 |         |         |          |           |         |         |        |
|-----------------------------------|----------------|---------|---------|----------|-----------|---------|---------|--------|
|                                   | Housing & LAP  |         |         |          | Corporate |         |         |        |
|                                   | Stage 1        | Stage 2 | Stage 3 | Total    | Stage 1   | Stage 2 | Stage 3 | Total  |
| Gross Carrying Amount             | 7,316.34       | 148.43  | 38.21   | 7,502.98 | 112.49    | -       | -       | 112.49 |
| Less: Impairment Loss Allowance * | 23.89          | 3.42    | 12.98   | 40.30    | 0.28      | -       | -       | 0.28   |
| Net Carrying Amount               | 7,292.45       | 145.01  | 25.23   | 7,462.68 | 112.21    | -       | -       | 112.21 |

\* ECL of Rs. 1.08 Mn is created on undisbursed commitments. Refer note 15

| Particulars                     | March 31, 2020 |         |         |          |           |         |         |        |
|---------------------------------|----------------|---------|---------|----------|-----------|---------|---------|--------|
|                                 | Housing & LAP  |         |         |          | Corporate |         |         |        |
|                                 | Stage 1        | Stage 2 | Stage 3 | Total    | Stage 1   | Stage 2 | Stage 3 | Total  |
| Gross Carrying Amount           | 6,674.15       | 41.43   | 15.94   | 6,731.52 | 277.67    | -       | -       | 277.67 |
| Less: Impairment Loss Allowance | 22.64          | 0.79    | 15.94   | 39.37    | 2.94      | -       | -       | 2.94   |
| Net Carrying Amount             | 6,651.51       | 40.64   | -       | 6,692.15 | 274.73    | -       | -       | 274.73 |

\* ECL of Rs. 2.74 Mn is created on undisbursed commitments. Refer note 15

Summary of Credit Substitutes by stage distribution is as follows:

| Particulars                     | March 31, 2021     |         |         |       |
|---------------------------------|--------------------|---------|---------|-------|
|                                 | Credit Substitutes |         |         |       |
|                                 | Stage 1            | Stage 2 | Stage 3 | Total |
| Gross Carrying Amount           | 74.97              | -       | 0.54    | 75.51 |
| Less: Impairment Loss Allowance | 1.05               | -       | 0.54    | 1.59  |
| Net Carrying Amount             | 73.92              | -       | -       | 73.92 |

| Particulars                     | March 31, 2020     |         |         |        |
|---------------------------------|--------------------|---------|---------|--------|
|                                 | Credit Substitutes |         |         |        |
|                                 | Stage 1            | Stage 2 | Stage 3 | Total  |
| Gross Carrying Amount           | 943.79             | -       | 0.54    | 944.33 |
| Less: Impairment Loss Allowance | 9.90               | -       | 0.54    | 10.44  |
| Net Carrying Amount             | 933.89             | -       | -       | 933.89 |

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

| Particulars                           | March 31, 2021 |         |         |            |           |         |         |          |
|---------------------------------------|----------------|---------|---------|------------|-----------|---------|---------|----------|
|                                       | Housing & LAP  |         |         |            | Corporate |         |         |          |
|                                       | Stage 1        | Stage 2 | Stage 3 | Total      | Stage 1   | Stage 2 | Stage 3 | Total    |
| Gross carrying amount opening balance | 6,674.15       | 41.43   | 15.94   | 6,731.52   | 277.67    | -       | -       | 277.67   |
| Disbursements                         | 2,221.24       | -       | -       | 2,221.24   | -         | -       | -       | -        |
| Repayments                            | (1,433.10)     | (7.35)  | (9.33)  | (1,449.78) | (165.18)  | -       | -       | (165.18) |
| Transfers from Stage 1                | (152.66)       | 127.13  | 25.53   | -          | -         | -       | -       | -        |
| Transfers from Stage 2                | 6.71           | (14.55) | 7.84    | -          | -         | -       | -       | -        |
| Transfers from Stage 3                | -              | 1.77    | (1.77)  | -          | -         | -       | -       | -        |
| Gross carrying amount closing balance | 7,316.34       | 148.43  | 38.21   | 7,502.98   | 112.49    | -       | -       | 112.49   |

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





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

| Particulars                           | March 31, 2021     |         |         |          |
|---------------------------------------|--------------------|---------|---------|----------|
|                                       | Credit Substitutes |         |         |          |
|                                       | Stage 1            | Stage 2 | Stage 3 | Total    |
| Gross carrying amount opening balance | 943.79             | -       | 0.54    | 944.33   |
| Repayments (net)                      | (868.82)           | -       | -       | (868.82) |
| Transfers from Stage 1                | -                  | -       | -       | -        |
| Transfers from Stage 2                | -                  | -       | -       | -        |
| Transfers from Stage 3                | -                  | -       | -       | -        |
| Gross carrying amount closing balance | 74.97              | -       | 0.54    | 75.51    |

| Particulars                           | March 31, 2020     |         |         |        |
|---------------------------------------|--------------------|---------|---------|--------|
|                                       | Credit Substitutes |         |         |        |
|                                       | Stage 1            | Stage 2 | Stage 3 | Total  |
| Gross carrying amount opening balance | 134.63             | -       | -       | 134.63 |
| New Assets originated (net)           | 809.70             | -       | -       | 809.70 |
| Transfers from Stage 1                | (0.54)             | -       | 0.54    | -      |
| Transfers from Stage 2                | -                  | -       | -       | -      |
| Transfers from Stage 3                | -                  | -       | -       | -      |
| Gross carrying amount closing balance | 943.79             | -       | 0.54    | 944.33 |

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

| Particulars  | March 31, 2021 |         |         |         |           |         |         |        |
|--|----------------|---------|---------|---------|-----------|---------|---------|--------|
|  | Housing & LAP  |         |         |         | Corporate |         |         |        |
|  | Stage 1        | Stage 2 | Stage 3 | Total   | Stage 1   | Stage 2 | Stage 3 | Total  |
| ECL allowance opening balance                                    | 22.64          | 0.79    | 15.94   | 39.38   | 2.94      | -       | -       | 2.94   |
| ECL on assets added/ provision created                           | 15.78          | 2.29    | 1.52    | 19.59   | -         | -       | -       | -      |
| Assets derecognised or repaid( including write offs/ Write back) | (4.01)         | (0.21)  | (14.45) | (18.67) | (2.66)    | -       | -       | (2.66) |
| Transfers from Stage 1   | (10.54)        | 2.88    | 7.66    | -       | -         | -       | -       | -      |
| Transfers from Stage 2   | 0.02           | (2.37)  | 2.35    | -       | -         | -       | -       | -      |
| Transfers from Stage 3   | -              | 0.04    | (0.04)  | -       | -         | -       | -       | -      |
| ECL allowance closing balance                                    | 23.89          | 3.42    | 12.98   | 40.30   | 0.28      | -       | -       | 0.28   |

Note: Decrease in ECL is attributable to decrease in corporate loans which is partially off-set by classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

| Particulars  | March 31, 2020 |         |         |        |           |         |         |        |
|--|----------------|---------|---------|--------|-----------|---------|---------|--------|
|  | Housing & LAP  |         |         |        | Corporate |         |         |        |
|  | Stage 1        | Stage 2 | Stage 3 | Total  | Stage 1   | Stage 2 | Stage 3 | Total  |
| ECL allowance opening balance                                    | 10.54          | 0.51    | 2.07    | 13.12  | 1.21      | 0.02    | -       | 1.23   |
| ECL on assets added/ provision created                           | 29.56          | -       | -       | 29.56  | 2.59      | -       | -       | 2.59   |
| Assets derecognised or repaid( including write offs/ Write back) | (1.02)         | (0.22)  | (2.07)  | (3.31) | (0.88)    | -       | -       | (0.88) |
| Transfers from Stage 1   | (16.46)        | 6.98    | 9.48    | -      | -         | -       | -       | -      |
| Transfers from Stage 2   | 0.02           | (6.48)  | 6.46    | -      | 0.02      | (0.02)  | -       | -      |
| Transfers from Stage 3   | -              | -       | -       | -      | -         | -       | -       | -      |
| ECL allowance closing balance                                    | 22.64          | 0.79    | 15.94   | 39.37  | 2.94      | -       | -       | 2.94   |

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

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

| Particulars  | March 31, 2021     |         |         |        |
|--|--------------------|---------|---------|--------|
|  | Credit Substitutes |         |         |        |
|  | Stage 1            | Stage 2 | Stage 3 | Total  |
| ECL allowance opening balance                                    | 9.90               | -       | 0.54    | 10.44  |
| Assets derecognised or repaid( including write offs/ Write back) | (8.85)             | -       | -       | (8.85) |
| ECL allowance closing balance                                    | 1.05               | -       | 0.54    | 1.59   |

Note: Decrease in ECL is attributable to decrease in the amount of the credit substitute



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

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

**5(b) Impairment assessment**

The Company pursuant to RBI circular dated March 27, 2020 has passed a policy by circular resolution dated 31 March 2020 to grant moratorium to all its borrowers which were less than 90 days past due as on March 1, 2020. As per the policy, the day past due status of the borrowers as on the date of implementation of the moratorium shall continue. The Company has not considered such extension of moratorium to borrowers by itself to have resulted in significant increase in credit risk Further refer note 3(m) for detailed assessment of impairment loss allowance

**5(c) Collateral**

The company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

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

The Company did not hold any financial instrument for which no loss allowance is recognised because of collateral at March 31, 2021. There was no change in the Company's collateral policy during the year.

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
**(All amount in Rs. in millions, except for share data unless stated otherwise)**

**6 Investments**

|  | At Fair Value  |                        | Total           |
|--|----------------|------------------------|-----------------|
|  | Amortised Cost | Through profit or loss |                 |
| <b>As at March 31, 2021</b>              |                |                        |                 |
| Mutual funds                             | -              | 3,567.48               | 3,567.48        |
| Credit substitutes                       | 75.51          | -                      | 75.51           |
| <b>Total (A)</b>                         | <b>75.51</b>   | <b>3,567.48</b>        | <b>3,642.99</b> |
| <b>Investments outside India</b>         |                |                        |                 |
| Investments in India                     | 75.51          | 3,567.48               | 3,642.99        |
| <b>Total (B)</b>                         | <b>75.51</b>   | <b>3,567.48</b>        | <b>3,642.99</b> |
| <b>Total (A) to tally with (B)</b>       | <b>75.51</b>   | <b>3,567.48</b>        | <b>3,642.99</b> |
| Less: Allowance for Impairment loss (C)* | 1.59           | -                      | 1.59            |
| <b>Total Net D = (A) -(C)</b>            | <b>73.92</b>   | <b>3,567.48</b>        | <b>3,641.40</b> |
| <b>As at March 31, 2020</b>              |                |                        |                 |
| Mutual funds                             | -              | 2,376.26               | 2,376.26        |
| Credit substitutes*                      | 944.33         | -                      | 944.33          |
| <b>Total (A)</b>                         | <b>944.33</b>  | <b>2,376.26</b>        | <b>3,320.59</b> |
| <b>Investments outside India</b>         |                |                        |                 |
| Investments in India                     | 944.33         | 2,376.26               | 3,320.59        |
| <b>Total (B)</b>                         | <b>944.33</b>  | <b>2,376.26</b>        | <b>3,320.59</b> |
| <b>Total (A) to tally with (B)</b>       | <b>944.33</b>  | <b>2,376.26</b>        | <b>3,320.59</b> |
| Less: Allowance for impairment loss (C)* | 10.44          | -                      | 10.44           |
| <b>Total Net D = (A) -(C)</b>            | <b>933.89</b>  | <b>2,376.26</b>        | <b>3,310.15</b> |

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

**7 Other financial assets (at amortised cost)**

|                                   | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|----------------------|----------------------|
| <b>Unsecured, considered good</b> |                      |                      |
| Security Deposit                  | 2.80                 | 2.92                 |
| Others                            | 32.07                | 11.52                |
| <b>Total</b>                      | <b>34.87</b>         | <b>14.44</b>         |

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

8(a) Property, plant and equipment

|                     | Lease Hold Improvements | Computers and printers | Furniture and fixtures | Office equipment | Total  |
|---------------------|-------------------------|------------------------|------------------------|------------------|--------|
| <b>Cost</b>         |                         |                        |                        |                  |        |
| At March 31, 2019   | 36.83                   | 11.28                  | 2.01                   | 6.39             | 56.51  |
| Purchase            | 30.73                   | 4.16                   | 0.57                   | 0.29             | 35.75  |
| Disposals           | (3.80)                  | -                      | -                      | -                | (3.80) |
| At March 31, 2020   | 63.76                   | 15.44                  | 2.58                   | 6.68             | 88.46  |
| Purchase            | 2.15                    | 1.49                   | 0.05                   | 0.20             | 3.89   |
| Disposals           | -                       | -                      | -                      | -                | -      |
| At March 31, 2021   | 65.91                   | 16.93                  | 2.63                   | 6.88             | 92.35  |
| <b>Depreciation</b> |                         |                        |                        |                  |        |
| At March 31, 2019   | 6.19                    | 5.41                   | 0.42                   | 3.71             | 15.73  |
| Charge for the year | 6.84                    | 4.66                   | 0.52                   | 1.33             | 13.35  |
| Disposals           | (1.00)                  | -                      | -                      | -                | (1.00) |
| At March 31, 2020   | 12.03                   | 10.07                  | 0.94                   | 5.04             | 28.08  |
| Charge for the year | 16.13                   | 3.92                   | 0.43                   | 0.76             | 21.24  |
| Disposals           | 1.79                    | -                      | -                      | -                | 1.79   |
| At March 31, 2021   | 29.95                   | 13.99                  | 1.37                   | 5.80             | 51.11  |
| <b>Net Block</b>    |                         |                        |                        |                  |        |
| At March 31, 2020   | 51.73                   | 5.37                   | 1.64                   | 1.64             | 60.38  |
| At March 31, 2021   | 35.96                   | 2.94                   | 1.26                   | 1.08             | 41.24  |

8(b) Intangible assets under development:

During the year the company has spent Rs 0.65 Mn(2020- 12.16 Mn) on intangible assets under development

8(c) Other intangible assets

| Intangible assets   | Software | Total |
|---------------------|----------|-------|
| At March 31, 2019   |          |       |
| Purchase            | 1.45     | 1.45  |
| Disposals           | 0.15     | 0.15  |
| At March 31, 2020   |          |       |
| Purchase            | 1.60     | 1.60  |
| Disposals           | 19.28    | 19.28 |
| At March 31, 2021   |          |       |
|                     | 20.88    | 20.88 |
| <b>Amortization</b> |          |       |
| At March 31, 2019   |          |       |
| Charge for the year | 0.81     | 0.81  |
| At March 31, 2020   |          |       |
| Charge for the year | 0.27     | 0.27  |
| At March 31, 2021   |          |       |
|                     | 1.08     | 1.08  |
|                     | 2.96     | 2.96  |
|                     | 4.04     | 4.04  |
| <b>Net block</b>    |          |       |
| At March 31, 2020   | 0.52     | 0.52  |
| At March 31, 2021   | 16.84    | 16.84 |

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

9 Other non-financial assets

| Particulars       | As at March 31, 2021 | As at March 31, 2020 |
|-------------------|----------------------|----------------------|
| Prepaid Expenses  | 4.83                 | 1.99                 |
| Cervat available  | 20.09                | 12.19                |
| Other Recoverable | 0.43                 | 0.46                 |
| <b>Total</b>      | <b>25.35</b>         | <b>14.64</b>         |

10 Assets Held For Sale

| Particulars                             | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Assets held for sale (refer note 10(a)) | 5.06                 | -                    |
| Less: Impairment loss allowance         | (0.67)               | -                    |
| <b>Total</b>                            | <b>4.39</b>          | <b>-</b>             |

10 (a) Assets Obtained by taking possession of collateral

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

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| Properties  | 4.39                 | -                    |
| <b>Total assets obtained by taking possession of collateral</b> | <b>4.39</b>          | <b>-</b>             |

11 Payables

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>Trade Payables</b>  |                      |                      |
| Total outstanding dues of Micro Enterprises and Small Enterprises*                     | 0.94                 | -                    |
| Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 2.20                 | 5.32                 |
| <b>Total</b>   | <b>3.14</b>          | <b>5.32</b>          |

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

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------|----------------------|----------------------|
|-------------|----------------------|----------------------|

the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year

- Principal amount

- Interest thereon

the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:

- Principal amount

- Interest thereon

the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act

the amount of interest accrued and remaining unpaid



0.94



DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

12 Debt Securities

| At amortised cost  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>Secured*</b>  |                      |                      |
| <b>Non-convertible debentures</b>  |                      |                      |
| 2953 (March 31 2020 : 2953), 8.50 % rated, unlisted, secured, redeemable, non-convertible debentures of face value of Rs. 10,00,000 each, maturing at 28 February, 2024. | 2,973.72             | 2,974.33             |
| 513 (March 31 2020 : 513), 8.50 % rated, unlisted, secured, redeemable, non-convertible debentures of face value of Rs. 10,00,000 each, maturing at 10 December, 2023.   | 515.50               | 515.50               |
| NIL (March 31 2020 : 150), 8.50 % rated, unlisted, secured, redeemable, non-convertible debentures of face value of Rs. 10,00,000 each, matured at 15 April, 2020.       | -                    | 1,525.75             |
| <b>Total gross (A)</b>   | <b>3,489.22</b>      | <b>5,015.58</b>      |
| Debt securities in India   | -                    | 1,525.75             |
| Debt securities outside India  | 3,489.22             | 3,489.83             |
| <b>Total (B)</b>   | <b>3,489.22</b>      | <b>5,015.58</b>      |

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

13 Borrowings (Other Than Debt Securities)

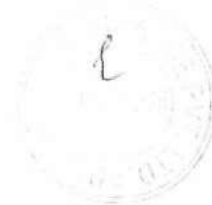
| At amortised cost                       | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| <b>Secured*</b>                         |                      |                      |
| Term Loans From Banks (Refer note 13.2) | 2,040.94             | 258.38               |
| Cash Credit (Refer note 13.2)           | 250.10               | -                    |
| <b>Others</b>                           |                      |                      |
| Lease Liability                         | 17.28                | 28.02                |
| <b>Total gross (A)</b>                  | <b>2,308.32</b>      | <b>286.40</b>        |
| Borrowings in India                     | 2,308.32             | 286.40               |
| Borrowings outside India                | -                    | -                    |
| <b>Total (B)</b>                        | <b>2,308.32</b>      | <b>286.40</b>        |

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

13.1 Changes in liabilities arising from financing activities

| Particulars     | As at           |                 |              | As at           |
|-----------------|-----------------|-----------------|--------------|-----------------|
|                 | March 31, 2020  | Cash flows      | Other        | March 31, 2021  |
| Debt securities | 5,015.58        | (1,550.44)      | 24.08        | 3,489.22        |
| Borrowings      | 286.40          | 2,028.28        | (6.36)       | 2,308.32        |
| <b>Total</b>    | <b>5,301.98</b> | <b>477.84</b>   | <b>17.72</b> | <b>5,797.54</b> |
| Particulars     | As at           |                 |              | As at           |
|                 | March 31, 2019  | Cash flows      | Other        | March 31, 2020  |
| Debt securities | -               | 5,015.58        | -            | 5,015.58        |
| Borrowings      | 466.93          | (210.52)        | 29.99        | 286.40          |
| <b>Total</b>    | <b>466.93</b>   | <b>4,805.05</b> | <b>29.99</b> | <b>5,301.97</b> |

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

13.2 Terms of repayment of long term borrowings (Other Than Debt Securities) outstanding as at March 31, 2021

| Original maturity of loan           | Interest (%) | Due within 1 year   |        | Due 1 to 2 years    |        | Due 2 to 3 years    |        | Due 3 to 4 years    |        | Due 4 to 5 years    |        | Due 5 to 10 years   |        | Total Amt. |
|-------------------------------------|--------------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|------------|
|                                     |              | No. of installments | Amt.   | No. of installments | Amt.   | No. of installments | Amt.   | No. of installments | Amt.   | No. of installments | Amt.   | No. of installments | Amt.   |            |
| <b>Monthly repayment schedule</b>   |              |                     |        |                     |        |                     |        |                     |        |                     |        |                     |        |            |
| Development Credit Bank             | 9.14%        | 12                  | 15.38  | 12                  | 15.38  | 12                  | 15.38  | 4                   | 5.03   | -                   | -      | -                   | -      | 51.17      |
| <b>Quarterly repayment schedule</b> |              |                     |        |                     |        |                     |        |                     |        |                     |        |                     |        |            |
| State Bank of India                 | 8.30%        | 4                   | 30.80  | 4                   | 30.80  | 3                   | 22.42  | -                   | -      | -                   | -      | -                   | -      | 84.02      |
| State Bank of India                 | 7.50%        | 3                   | 57.93  | 4                   | 74.07  | 4                   | 74.07  | 4                   | 74.07  | 4                   | 74.07  | 8                   | 148.15 | 502.37     |
| South Indian Bank                   | 9.75%        | 4                   | 15.40  | 4                   | 15.40  | 4                   | 15.19  | -                   | -      | -                   | -      | -                   | -      | 45.99      |
| NHB                                 | 6.90%        | 3                   | 120.00 | 4                   | 160.00 | 4                   | 160.00 | 4                   | 160.00 | 1                   | 7.79   | -                   | -      | 607.79     |
| NHB                                 | 6.90%        | 4                   | 99.34  | 4                   | 77.20  | 4                   | 77.20  | 4                   | 77.20  | 4                   | 77.20  | 14                  | 263.63 | 671.77     |
| <b>One Time Payment Schedule</b>    |              |                     |        |                     |        |                     |        |                     |        |                     |        |                     |        |            |
| NHB                                 | 5.25%        | 1                   | 88.10  | -                   | -      | -                   | -      | -                   | -      | -                   | -      | -                   | -      | 88.10      |
| HDFC WCDL                           | 7.20%        | 1                   | 250.10 | -                   | -      | -                   | -      | -                   | -      | -                   | -      | -                   | -      | 250.10     |
|                                     |              | 32                  | 677.05 | 32                  | 372.85 | 31                  | 364.26 | 16                  | 316.30 | 9                   | 159.07 | 22                  | 411.78 | 2,301.31   |
| <b>Lease liability</b>              |              |                     |        |                     |        |                     |        |                     |        |                     |        |                     |        | 17.28      |
| <b>EIR Adjustment</b>               |              |                     |        |                     |        |                     |        |                     |        |                     |        |                     |        | (10.27)    |
| <b>TOTAL</b>                        |              |                     |        |                     |        |                     |        |                     |        |                     |        |                     |        | 2,308.32   |

13.3 Terms of repayment of long term borrowings (Other Than Debt Securities) outstanding as at March 31, 2020

| Original maturity of loan           | Interest (%) | Due within 1 year   |       | Due 1 to 2 years    |       | Due 2 to 3 years    |       | Due 3 to 4 years    |       | Due 4 to 5 years    |       | Due 5 to 10 years   |      | Total Amt. |
|-------------------------------------|--------------|---------------------|-------|---------------------|-------|---------------------|-------|---------------------|-------|---------------------|-------|---------------------|------|------------|
|                                     |              | No. of installments | Amt.  | No. of installments | Amt.  | No. of installments | Amt.  | No. of installments | Amt.  | No. of installments | Amt.  | No. of installments | Amt. |            |
| <b>Monthly repayment schedule</b>   |              |                     |       |                     |       |                     |       |                     |       |                     |       |                     |      |            |
| Development Credit Bank             | 9.75%        | 12                  | 15.38 | 12                  | 15.38 | 12                  | 15.38 | 12                  | 15.38 | 4                   | 5.15  | -                   | -    | 66.67      |
| <b>Quarterly repayment schedule</b> |              |                     |       |                     |       |                     |       |                     |       |                     |       |                     |      |            |
| State Bank of India                 | 11.05%       | 4                   | 31.48 | 4                   | 30.80 | 4                   | 30.80 | 4                   | 30.80 | 1                   | 8.73  | -                   | -    | 132.61     |
| South Indian Bank                   | 10.30%       | 4                   | 15.40 | 4                   | 15.40 | 4                   | 15.40 | 4                   | 15.20 | -                   | -     | -                   | -    | 61.40      |
|                                     |              | 20                  | 62.26 | 20                  | 61.58 | 20                  | 61.58 | 20                  | 61.38 | 5                   | 13.88 | -                   | -    | 260.68     |
| <b>Lease liability</b>              |              |                     |       |                     |       |                     |       |                     |       |                     |       |                     |      | 28.02      |
| <b>EIR Adjustment</b>               |              |                     |       |                     |       |                     |       |                     |       |                     |       |                     |      | (2.30)     |
| <b>TOTAL</b>                        |              |                     |       |                     |       |                     |       |                     |       |                     |       |                     |      | 286.40     |

13.4 Terms of repayment of Debt Securities Outstanding as on March 31, 2021

| Original maturity of NCD | Interest (%) | Due within 1 year   |       | Due 1 to 2 years    |      | Due 2 to 3 years    |          | Due 3 to 4 years    |      | Due 4 to 5 years    |      | Due 5 to 10 years   |      | Total Amt. |
|--------------------------|--------------|---------------------|-------|---------------------|------|---------------------|----------|---------------------|------|---------------------|------|---------------------|------|------------|
|                          |              | No. of installments | Amt.  | No. of installments | Amt. | No. of installments | Amt.     | No. of installments | Amt. | No. of installments | Amt. | No. of installments | Amt. |            |
| DMI Income Fund PTE Ltd  | 8.50%        | -                   | 23.76 | -                   | -    | -                   | 3,466.00 | -                   | -    | -                   | -    | -                   | -    | 3,489.76   |
| <b>EIR Adjustment</b>    |              |                     |       |                     |      |                     |          |                     |      |                     |      |                     |      | (0.54)     |
| <b>Total</b>             |              |                     |       |                     |      |                     |          |                     |      |                     |      |                     |      | 3,489.22   |

13.5 Terms of repayment of Debt Securities Outstanding as on March 31, 2020

| Original maturity of NCD        | Interest (%) | Due within 1 year   |          | Due 1 to 2 years    |      | Due 2 to 3 years    |      | Due 3 to 4 years    |          | Due 4 to 5 years    |      | Due 5 to 10 years   |      | Total Amt. |
|---------------------------------|--------------|---------------------|----------|---------------------|------|---------------------|------|---------------------|----------|---------------------|------|---------------------|------|------------|
|                                 |              | No. of installments | Amt.     | No. of installments | Amt. | No. of installments | Amt. | No. of installments | Amt.     | No. of installments | Amt. | No. of installments | Amt. |            |
| DMI Alternative Investment Fund | 10.60%       | -                   | 1,525.75 | -                   | -    | -                   | -    | -                   | -        | -                   | -    | -                   | -    | 1,525.75   |
| DMI Income Fund PTE Ltd         | 8.50%        | -                   | 24.69    | -                   | -    | -                   | -    | -                   | 3,466.00 | -                   | -    | -                   | -    | 3,490.69   |
| <b>TOTAL</b>                    |              |                     |          |                     |      |                     |      |                     |          |                     |      |                     |      | 5,016.44   |
| <b>EIR Adjustment</b>           |              |                     |          |                     |      |                     |      |                     |          |                     |      |                     |      | (0.85)     |
| <b>Total</b>                    |              |                     |          |                     |      |                     |      |                     |          |                     |      |                     |      | 5,015.58   |

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**DMI Housing Finance Private Limited**  
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**(All amount in Rs. in millions, except for share data unless stated otherwise)**

**14 Other financial liabilities (at amortised cost)**

| Particulars                 | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------|----------------------|----------------------|
| Employee payables           | 0.39                 | 0.28                 |
| Other financial liabilities | <u>15.93</u>         | <u>241.23</u>        |
|                             | <u>16.32</u>         | <u>241.51</u>        |

**15 Provisions**

| Particulars                     | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|----------------------|----------------------|
| Provision for employee benefits |                      |                      |
| Leave avallment                 | 13.48                | 10.06                |
| Gratuity                        | 9.17                 | 6.67                 |
| ECL on undrawn loan commitment  | <u>1.08</u>          | <u>2.74</u>          |
|                                 | <u>23.73</u>         | <u>19.47</u>         |

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
**(All amount in Rs. in millions, except for share data unless stated otherwise)**

**16 Tax Expenses**

The major components of income tax expense for the year ended March 31, 2021

| Recorded in Statement of Profit & Loss Account                        | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|---|------------------------------|------------------------------|
| Current income tax:   |                              |                              |
| Current income tax charge   | 76.82                        | 87.64                        |
| Deferred tax:   |                              |                              |
| Relating to origination and reversal of temporary differences         | 12.58                        | (11.16)                      |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>89.40</b>                 | <b>76.48</b>                 |
| <b>Recorded in OCI</b>  |                              |                              |
| Deferred tax related to items recognised in OCI during the year:      |                              |                              |
| Actuarial gain on gratuity  | 0.31                         | (0.08)                       |
| <b>Income tax charged to OCI</b>                                      | <b>0.31</b>                  | <b>(0.08)</b>                |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021:

| Particulars  | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--|------------------------------|------------------------------|
| Profit before tax  | 352.31                       | 307.59                       |
| At corporate tax rate of 25.17%  | 88.68                        | 77.42                        |
| Expenditure disallowed   | 1.04                         | 5.05                         |
| Income not subject to tax  | (0.31)                       | (1.25)                       |
| Deductions   | -                            | (4.65)                       |
| Impact due to revaluation of deferred tax due to change in Income tax rate | -                            | (0.09)                       |
| Tax expense (effective tax rate of 25.29%, Previous year 25.70%)           | 89.40                        | 76.48                        |

| Deferred Tax liabilities / (assets)   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| <b>Deferred tax liability</b>   |                      |                      |
| Unrealized gain on mutual fund  | (16.72)              | (3.51)               |
| Unamortized Fee/DSA/ Incentive impact   | (2.11)               | (2.88)               |
| <b>Gross deferred tax liability</b>   | <b>(18.83)</b>       | <b>(6.39)</b>        |
| <b>Deferred tax asset</b>   |                      |                      |
| Expected credit loss (ECL)  | 6.31                 | 8.63                 |
| Provision for gratuity and Leave availment  | 5.70                 | 4.21                 |
| Difference between tax depreciation and depreciation/amortization charged for the financial reporting | 3.88                 | 3.02                 |
| Others  | 0.68                 | 0.84                 |
| <b>Gross deferred tax asset</b>   | <b>16.57</b>         | <b>16.70</b>         |
| <b>Net Deferred Tax Asset/(Liability)</b>   | <b>(2.26)</b>        | <b>10.31</b>         |

**17 Other Non-financial Liabilities**

| Particulars                     | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|----------------------|----------------------|
| Statutory Dues Payable          | 10.71                | 11.55                |
| Employee related statutory dues | 1.24                 | 1.46                 |
| Provision for Expenses          | 11.53                | 41.67                |
| <b>Total</b>                    | <b>23.48</b>         | <b>54.68</b>         |

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
**(All amount in Rs. in millions, except for share data unless stated otherwise)**

**18 Equity share capital**

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

|  | As at March 31,<br>2021 | As at March 31,<br>2020 |
|--|-------------------------|-------------------------|
| <b>Authorized share Capital</b>  |                         |                         |
| 860,000,000 (31 March, 2020 - 860,000,000) Equity Shares of Rs. 10/- each                              | 8,600.00                | 8,600.00                |
| 140,000,000 (31 March, 2020 - 140,000,000) Compulsorily Convertible Preference Shares of Rs. 10/- each | 1,400.00                | 1,400.00                |
|  | <b>10,000.00</b>        | <b>10,000.00</b>        |
| <b>Issued &amp; Subscribed Capital</b>   |                         |                         |
| <b>Fully Called-up and Paid Up capital</b>   |                         |                         |
| 484,346,715 (31 March, 2020- 482,482,097 ) Equity shares of Rs. 10/- each                              | 4,843.47                | 4,824.82                |
| 187,150 (31 March, 2020 - 187,150) Class A Equity shares of Rs. 10/- each                              | 1.87                    | 1.87                    |
| <b>Partly Called-Up and Paid Up capital</b>  |                         |                         |
| 49,490,900 (31 March, 2020- 49,490,900 ) Equity shares of Rs. 10/- each                                | 13.71                   | 2.72                    |
| <b>Total</b>   | <b>4,859.05</b>         | <b>4,829.41</b>         |

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

| Name of the shareholder                   | As at March 31, 2021 |                 | As at March 31, 2020 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | No. of shares        | Amount          | No. of shares        | Amount          |
| Equity Share at the beginning of year     | 53,21,60,147         | 4,829.41        | 48,25,39,166         | 4,825.39        |
| Add:                                      |                      |                 |                      |                 |
| Equity Share Allotted during year         |                      |                 |                      |                 |
| Shares Issued during the year-Fully Paid  | 18,64,618            | 18.65           | 36,563               | 0.36            |
| Call money received on partly paid shares | -                    | 10.99           | -                    | -               |
| Shares Issued during the year-Partly Paid |                      |                 | 4,94,90,900          | 2.72            |
| Shares issued under Class A               |                      |                 | 93,518               | 0.93            |
| <b>Equity share at the end of year</b>    | <b>53,40,24,765</b>  | <b>4,859.05</b> | <b>53,21,60,147</b>  | <b>4,829.41</b> |

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

Ordinary Equity Shares- Each holder of ordinary equity shares is entitled to one vote per share and right to dividend.

During the year, the company has Issued new shares 18,64,618 (2020-4,95,27,463) at face value of Rs.10 per share with premium of Rs.18.30 per share. During the year, company has also received call money of Rs.12.35 Mn on partly paid shares issued last year to K2VZ (4,94,90,900-no. of shares) and balance subscription amount of Rs. 540.87 Mn is yet to be received.

Class A Equity Shares - Class A equity share shall mean equity shares with differential rights, which shall be entitled to 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, but shall not be entitled to any voting rights.

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

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

**18.2 Shares held by holding Company**

| Name of the shareholder | As at March 31, 2021 |               | As at March 31, 2020 |               |
|-------------------------|----------------------|---------------|----------------------|---------------|
|                         | No. of shares        | % of holding  | No. of shares        | % of holding  |
| DMI Limited             | 46,04,42,315         | 86.22%        | 46,04,42,315         | 86.52%        |
| <b>Total</b>            | <b>46,04,42,315</b>  | <b>86.22%</b> | <b>46,04,42,315</b>  | <b>86.52%</b> |

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

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

| Name of the shareholder | As at March 31, 2021 |               | As at March 31, 2020 |               |
|-------------------------|----------------------|---------------|----------------------|---------------|
|                         | No. of shares        | % of holding  | No. of shares        | % of holding  |
| DMI Limited             | 46,04,42,315         | 86.22%        | 46,04,42,315         | 86.52%        |
| K2VZ                    | 4,94,90,900          | 9.27%         | 4,94,90,900          | 9.30%         |
| <b>Total</b>            | <b>50,99,33,215</b>  | <b>95.49%</b> | <b>50,99,33,215</b>  | <b>95.82%</b> |

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

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



**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

19 Other equity

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>Other Equity</b>  |                      |                      |
| <b>Share Premium Reserve <sup>(1)</sup></b>  |                      |                      |
| Balance at the beginning of the year   | 442.99               | 442.53               |
| Add : Premium on issue of equity shares  | 35.48                | 0.37                 |
| Add : Premium on issue of equity shares class A                                      | -                    | 0.09                 |
|  | <u>478.47</u>        | <u>442.99</u>        |
| <b>Share Warrant Premium <sup>(2)</sup></b>  |                      |                      |
| Balance at the beginning of the year   | -                    | -                    |
| Add : Issue of Share Warrants  | 5.00                 | -                    |
|  | <u>5.00</u>          | <u>-</u>             |
| <b>Statutory Reserves <sup>(3)</sup></b>   |                      |                      |
| Balance at the beginning of the year   | 61.54                | 15.36                |
| Add : Amount transferred from surplus of Profit and Loss                             | 52.64                | 46.18                |
| <b>Balance at the end of the year</b>  | <u>114.18</u>        | <u>61.54</u>         |
| <b>Share Based Payments Reserve <sup>(4)</sup></b>                                   |                      |                      |
| Balance at the beginning of the year   | 15.40                | 5.78                 |
| Fair Value of Stock Option-Charge for the year                                       | 6.44                 | 9.62                 |
| <b>Balance at the end of the year</b>  | <u>21.84</u>         | <u>15.40</u>         |
| <b>Retained earnings <sup>(5)</sup></b>  |                      |                      |
| Balance at the beginning of the year   | 164.86               | (19.85)              |
| Add : Profit for the year  | 263.22               | 231.11               |
| Add : Other Comprehensive Income remeasured gains/(losses ) on defined benefit plans | 1.21                 | (0.30)               |
| Less : Income-tax effect on other comprehensive income                               | (0.31)               | 0.08                 |
| Less : Transferred to statutory reserves   | (52.64)              | (46.18)              |
|  | <u>376.34</u>        | <u>164.86</u>        |
| <b>Total Other Equity</b>  | <u>995.83</u>        | <u>684.79</u>        |

(1) Share Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(2) The company has issued share warrants for Rs. 5.0 Mn during the year. Each warrant will be convertible into one Class A equity share which can be exercised within Warrant Exercise Period as approved by the Board.

(3) Section 29C (i) of The National Housing Bank Act, 1987 stipulates that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of Rs.52.64 Mn during the year (2020- Rs.46.17 mn) to reserve fund so created.

(4) The share-based payment reserve is used to recognise the value of equity-settled share-based payments, including ESOPs and share warrants, provided to employees of the Company and its fellow subsidiaries and other third parties, in accordance with Ind AS 102.

(5) Retained earnings represents the surplus in profit and loss account and appropriations

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

20 Interest income

| Particulars                     | Year ended March 31,<br>2021                         | Year ended March 31,<br>2020                         |
|---------------------------------|--|--|
|                                 | On financial assets<br>measured at<br>Amortised cost | On financial assets<br>measured at<br>Amortised cost |
| Interest on Loans               | 983.45   | 828.58   |
| Interest on deposits with Banks | 17.19  | 20.66  |
|                                 | <u>1,000.64</u>                                      | <u>849.24</u>  |

21 Fees and commission Income

| Particulars      | Year ended March 31,<br>2021 | Year ended March 31,<br>2020 |
|------------------|------------------------------|------------------------------|
| Other fee income | 20.36                        | 35.93                        |
|                  | <u>20.36</u>                 | <u>35.93</u>                 |

22 Net gain/(loss) on fair value changes

| Particulars  | Year ended March 31,<br>2021 | Year ended March 31,<br>2020 |
|--|------------------------------|------------------------------|
| Net gain/(loss) on financial instruments at fair value through profit and loss |                              |                              |
| i) On trading portfolio<br>Investments   | 101.27                       | 43.40                        |
| Total Net gain/(loss) on fair value  | <u>101.27</u>                | <u>43.40</u>                 |
| Fair value changes   |                              |                              |
| Realised   | 48.78                        | 54.30                        |
| Unrealised   | 52.49                        | (10.90)                      |
| Total Net gain/(loss) on fair value  | <u>101.27</u>                | <u>43.40</u>                 |

23 Finance Costs

| Particulars                            | Year ended March 31,<br>2021                              | Year ended March 31,<br>2020                              |
|--|---|---|
|  | On financial liabilities<br>measured at<br>Amortised cost | On financial liabilities<br>measured at<br>Amortised cost |
| Interest on non convertible debentures | 300.66  | 111.07  |
| Interest on Term Loan/Cash Credit      | 100.42  | 43.99   |
| Other Finance Cost                     | 2.08  | 6.16  |
| Total                                  | <u>403.16</u>   | <u>161.22</u>   |

24 Impairment on financial instruments

| Particulars  | Year ended March 31,<br>2021                              | Year ended March 31,<br>2020                              |
|--------------|---|---|
|              | On financial<br>instruments measured<br>at Amortised cost | On financial<br>instruments measured<br>at Amortised cost |
| Investments  | (8.85)  | 9.78  |
| Loans Assets | (1.05)  | 22.87   |
| Write offs   | 0.67  |   |
| Total        | <u>(9.23)</u>   | <u>32.65</u>  |



DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

25 Employee Benefits Expenses

| Particulars                               | Year ended March 31, |               |
|---|----------------------|---------------|
|   | 2021                 | 2020          |
| Salaries and wages                        | 219.87               | 273.24        |
| Contribution to provident and other funds | 8.28                 | 9.38          |
| Gratuity                                  | 3.71                 | 3.51          |
| Leave encashment                          | 3.41                 | 3.84          |
| Share Based Payments to employees         | 4.14                 | 5.59          |
| Staff welfare expenses                    | 10.67                | 11.65         |
| <b>Total</b>                              | <b>250.08</b>        | <b>307.20</b> |

**Earned Leave Plans**

Employee can encash unutilised earned leave only at the time of separation from the Company. Accumulation of earned leave days can not exceed 45 days at any time during the employee service. As per company's policy earned leave entitlement will be calculated at CTC.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

**Net employee benefit expense recognized in the employee cost**

|  | Year ended March 31, |             |
|--|----------------------|-------------|
|  | 2021                 | 2020        |
| Current service cost                                   | 5.35                 | 5.24        |
| Interest cost  | 0.68                 | 0.48        |
| Paid during the year                                   | (2.21)               | (0.47)      |
| Net remeasurement (gain) / loss recognized in the year | (0.41)               | (1.41)      |
| <b>Net expense</b>                                     | <b>3.41</b>          | <b>3.84</b> |

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

|  | Year ended March 31, |               |
|--|----------------------|---------------|
|  | 2021                 | 2020          |
| Remeasurement (gain) / loss on obligations arising from changes in experience adjustments  | (0.41)               | (2.78)        |
| Remeasurement (gain) / loss on obligations arising from changes in financial assumptions   |                      | 1.38          |
| Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions |                      | (0.01)        |
| Remeasurement (gain) / loss arising during the year  | <b>(0.41)</b>        | <b>(1.41)</b> |

**Balance Sheet**

**Net defined benefit liability**

|   | Year ended March 31, |              |
|---|----------------------|--------------|
|   | 2021                 | 2020         |
| Present value of defined benefit obligation | 13.48                | 10.06        |
| Fair value of plan assets                   | -                    | -            |
| <b>Plan liability</b>                       | <b>13.48</b>         | <b>10.06</b> |

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

|   | Year ended March 31, |              |
|---|----------------------|--------------|
|   | 2020                 | 2020         |
| Opening defined benefit obligation        | 10.07                | 6.23         |
| Current service cost                      | 5.35                 | 5.24         |
| Interest cost                             | 0.68                 | 0.48         |
| Benefits paid during the year             | (2.21)               | (0.47)       |
| Remeasurement (gain)/loss on obligation   | (0.41)               | (1.41)       |
| <b>Closing defined benefit obligation</b> | <b>13.48</b>         | <b>10.07</b> |

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

|                        | Year ended March 31, |                   |
|------------------------|----------------------|-------------------|
|                        | 2021                 | 2020              |
| Discount rate          | 6.76%                | 6.76%             |
| Salary escalation rate | 6.00%                | 6.00%             |
| Employee Turnover      | age upto 30 = 3%     | age upto 30 = 3%  |
|                        | age 31-44 = 2%       | age 31-44 = 2%    |
|                        | age above 44 = 1%    | age above 44 = 1% |

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



**DMI Housing Finance Private Limited**  
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**Sensitivity Analysis:**

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

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| a) Effect of 0.50% change in assumed discount rate           |                         |                         |
| - 0.50% increase   | (1.05)                  | (0.80)                  |
| - 0.50% decrease   | 1.15                    | 0.89                    |
| (b) Effect of 0.50% change in assumed salary escalation rate |                         |                         |
| - 0.50% increase   | 1.16                    | 0.89                    |
| - 0.50% decrease   | (1.05)                  | (0.81)                  |

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

| Expected payment for future years | 31-Mar-21    | 31-Mar-20    |
|-----------------------------------|--------------|--------------|
| 0 to 1 Year                       | 0.29         | 0.22         |
| 1 to 2 Year                       | 0.27         | 0.21         |
| 2 to 3 Year                       | 0.26         | 0.20         |
| 3 to 4 Year                       | 0.25         | 0.19         |
| 4 to 5 Year                       | 0.24         | 0.18         |
| 5 to 6 Year                       | 1.03         | 0.18         |
| 6 Year onwards                    | 11.13        | 8.89         |
| <b>Total expected payments</b>    | <b>13.49</b> | <b>10.07</b> |

**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,<br>2021 | Year ended March 31,<br>2020 |
|----------------------|------------------------------|------------------------------|
| Current service cost | 3.34                         | 3.29                         |
| Interest cost        | 0.45                         | 0.22                         |
| Paid during the year | (0.08)                       | -                            |
| <b>Net expense</b>   | <b>3.71</b>                  | <b>3.51</b>                  |

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

|  | Year ended March 31,<br>2021 | Year ended March 31,<br>2020 |
|--|------------------------------|------------------------------|
| Remeasurement (gain) / loss on obligations arising from changes in experience adjustments  | (1.21)                       | (0.55)                       |
| Remeasurement (gain) / loss on obligations arising from changes in financial assumptions   | -                            | 0.85                         |
| Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions | -                            | (0.00)                       |
| <b>Remeasurement (gain) / loss arising during the year</b>                                 | <b>(1.21)</b>                | <b>0.30</b>                  |

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DMI Housing Finance Private Limited  
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Balance Sheet

Net defined benefit liability

|   | Year ended March 31,<br>2021 | Year ended March 31,<br>2020 |
|---|------------------------------|------------------------------|
| Present value of defined benefit obligation | 9.17                         | 6.68                         |
| Fair value of plan assets                   | -                            | -                            |
| Plan liability                              | <u>9.17</u>                  | <u>6.68</u>                  |

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

|   | Year ended March 31,<br>2021 | Year ended March 31,<br>2020 |
|---|------------------------------|------------------------------|
| Opening defined benefit obligation      | 6.68                         | 2.87                         |
| Current service cost                    | 3.34                         | 3.29                         |
| Interest cost                           | 0.45                         | 0.22                         |
| Benefits paid during the year           | (0.08)                       |                              |
| Remeasurement (gain)/loss on obligation | (1.21)                       | 0.30                         |
| Closing defined benefit obligation      | <u>9.17</u>                  | <u>6.68</u>                  |

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

|                        | Year ended March 31,<br>2021                            | Year ended March 31,<br>2020                            |
|------------------------|---|---|
| Discount rate          | 6.76%   | 6.76%   |
| Salary escalation rate | 6.00%   | 6.00%   |
| Employee Turnover      | age upto 30 = 3%<br>age 31-44 = 2%<br>age above 44 = 1% | age upto 30 = 3%<br>age 31-44 = 2%<br>age above 44 = 1% |

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

Sensitivity Analysis:

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

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| a) Effect of 0.50% change in assumed discount rate           |                         |                         |
| - 0.50% increase   | (0.72)                  | (0.55)                  |
| - 0.50% decrease   | 0.80                    | 0.61                    |
| (b) Effect of 0.50% change in assumed salary escalation rate |                         |                         |
| - 0.50% increase   | 0.80                    | 0.62                    |
| - 0.50% decrease   | (0.73)                  | (0.56)                  |

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

| Expected payment for future years | 31-Mar-21   | 31-Mar-20   |
|-----------------------------------|-------------|-------------|
| 0 to 1 Year                       | 0.06        | 0.02        |
| 1 to 2 Year                       | 0.10        | 0.05        |
| 2 to 3 Year                       | 0.15        | 0.08        |
| 3 to 4 Year                       | 0.17        | 0.12        |
| 4 to 5 Year                       | 0.17        | 0.12        |
| 5 to 6 Year                       | 0.66        | 0.12        |
| 6 Year onwards                    | 7.87        | 6.18        |
| Total expected payments           | <u>9.18</u> | <u>6.69</u> |

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Notes to the Financial Statements for the year ended March 31, 2021  
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26 Other expenses

| Particulars   | Year ended March 31, |              |
|---|----------------------|--------------|
|   | 2021                 | 2020         |
| Credit rating fee   | 0.42                 | 1.22         |
| Legal and professional fees                               | 18.78                | 29.71        |
| Audit fee   | 2.10                 | 1.39         |
| Goods & Service tax written off                           | 13.95                | 11.05        |
| Subscription and license fees                             | 13.68                | 4.71         |
| Rates and taxes   | 2.55                 | 0.52         |
| CSR Expense   | 2.40                 | 0.25         |
| Business promotion  | 2.43                 | 3.08         |
| Repairs and maintenance others                            | 0.48                 | 3.05         |
| Travelling expenses                                       | 5.82                 | 14.18        |
| Electricity expense                                       | 2.19                 | 2.86         |
| Office running and maintenance expenses                   | 18.69                | 9.16         |
| Communication expense                                     | 6.36                 | 6.97         |
| Amortisation of add on cost on non-convertible debentures | 0.22                 | 0.28         |
| Rent  | 5.25                 | 4.54         |
| Printing and stationery                                   | 3.61                 | 3.57         |
| Miscellaneous expenses                                    | 0.08                 | 0.19         |
| <b>Total</b>  | <b>99.01</b>         | <b>96.73</b> |

26(a) Auditor's remuneration

| Particulars         | Year ended March 31, |             |
|---------------------|----------------------|-------------|
|                     | 2021                 | 2020        |
| As auditor          |                      |             |
| For statutory audit | 1.44                 | 0.84        |
| For tax audit       | 0.06                 | 0.06        |
| For certification   | 0.60                 | 0.45        |
| For reimbursements  | -                    | 0.04        |
|                     | <b>2.10</b>          | <b>1.39</b> |

27 Earning per share

| Particulars | Year ended March 31, |      |
|-------------|----------------------|------|
|             | 2021                 | 2020 |

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.) | 532.39      | 482.63      |
| Net profit for calculation of basic EPS  | 263.22      | 231.11      |
| <b>Basic earning per share (In Rs.)</b>  | <b>0.49</b> | <b>0.48</b> |

Diluted

|  |              |              |
|--|--------------|--------------|
| Weighted average number of equity shares for computation of Diluted EPS (in Rs.) | 536.53       | 482.63       |
| Net profit for calculation of Diluted  | 263.22       | 231.11       |
| EPS (in Rs.)   |              |              |
| <b>Diluted earning per share (In Rs.)</b>  | <b>0.49</b>  | <b>0.48</b>  |
| <b>Nominal value of equity shares (In Rs.)</b>                                   | <b>10.00</b> | <b>10.00</b> |

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

28. Employee Stock Option Plan

I. The Company has formulated share-based payment schemes for the Group employees - DMI HFC ESOP PLAN 2019 ("Plan"). Details of all grants in operation during the year ended March 31, 2021 are as given below:

| Scheme Name                                     | DMI HFC ESOP Plan 2018 | DMI HFC Retention Plan, 2018 | DMI HFC ESOP Plan 2019 | DMI HFC ESOP Plan Management | DMI HFC ESOP Plan 2020 | DMI HFC Employment Contract 2020 |
|---|------------------------|------------------------------|------------------------|------------------------------|------------------------|----------------------------------|
| Date of grant                                   | 18-Mar-18              | 01-Apr-18                    | 01-Apr-19              | 01-Oct-18                    | 09-Apr-20              | 09-Nov-20                        |
| Date of Board / Compensation Committee approval | 16-Mar-18              | 01-Apr-18                    | 11-Sep-19              | 01-Oct-18                    | 09-Apr-20              | 09-Apr-20                        |
| Number of Options granted                       | 3,49,316               | 8,25,358                     | 17,89,485              | 26,33,803                    | 12,31,722              | 18,467                           |
| Method of settlement                            | Shares                 | Shares                       | Shares                 | Shares                       | Shares                 | Shares                           |
| Graded vesting period *                         | See Below              | See Below                    | See Below              | See Below                    | See Below              | See Below                        |
| First vesting date                              | 18-Mar-19              | 01-Apr-19                    | 01-Apr-20              | 01-Oct-19                    | 01-Apr-21              | 09-Nov-21                        |
| Exercise period **                              | 5 years                | 5 years                      | 5 years                | 5 years                      | 5 years                | 5 years                          |
| Vesting conditions                              | As per Plan            | As per Plan                  | As per Plan            | As per Plan                  | As per Plan            | As per Plan                      |
| Exercise price per option                       | 10.68                  | 10.72                        | 10.94                  | 10.80                        | 29.61                  | 28.30                            |
| Stock price on the date of grant                | 10.68                  | 10.72                        | 10.94                  | 10.80                        | 11.24                  | 11.35                            |

\* As per the vesting schedule 30%, 30% & 40% Options will vest on completion of one year, two years and three years from the grant date respectively

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

II. Reconciliation of options

| 31-MAR-2021  | DMI HFC ESOP Plan 2018 | DMI HFC Retention Plan, 2018 | DMI HFC ESOP Plan 2019 | DMI HFC ESOP Plan Management | DMI HFC ESOP Plan 2020 | DMI HFC Employment 2020 |
|--|------------------------|------------------------------|------------------------|------------------------------|------------------------|-------------------------|
| Options outstanding at the beginning of the year       | 3,49,316               | 8,25,358                     | 18,71,876              | 26,33,803                    | -                      | -                       |
| Granted during the year                                | -                      | -                            | -                      | -                            | 12,31,722              | 18,467                  |
| Exercised during the year                              | -                      | -                            | -                      | -                            | -                      | -                       |
| Lapsed during the year                                 | -                      | -                            | 87,391                 | -                            | 1,18,366               | -                       |
| Outstanding at the end of the year                     | 3,49,316               | 8,25,358                     | 17,89,485              | 26,33,803                    | 11,13,356              | 18,467                  |
| Weighted average remaining contractual life (in years) | 2                      | 2                            | 3                      | 3                            | 4                      | 5                       |

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

III. Computation of fair value

The Company has used fair value method for ESOP valuations. For undertaking fair valuation of ESOP, the Company is using Black-Scholes Model

| Scheme Name                      | DMI HFC ESOP Plan 2018 | DMI HFC Retention Plan, 2018 | DMI ESOP Plan 2019 | DMI ESOP Plan Management | DMI HFC ESOP Plan 2020 | DMI HFC Retention Plan 2020 |
|----------------------------------|------------------------|------------------------------|--------------------|--------------------------|------------------------|-----------------------------|
| Stock price on the date of grant | 10.68                  | 10.72                        | 10.94              | 10.80                    | 11.24                  | 11.35                       |
| Volatility                       | 15%                    | 15%                          | 30%                | 15%                      | 30%                    | 30%                         |
| Risk free Rate                   | 6%                     | 8%                           | 7%                 | 8%                       | 6%                     | 6%                          |
| Dividend Yield                   | 0%                     | 0%                           | 0%                 | 0%                       | 0%                     | 0%                          |
| Exercise Price                   | 10.68                  | 10.72                        | 10.94              | 10.80                    | 29.61                  | 28.30                       |
| Option Fair Value                | 3.08                   | 3.55                         | 4.45               | 3.69                     | 0.87                   | 0.99                        |

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 2021 amounts to Rs 4.14 Mn (previous year Rs. 5.59 Mn)

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(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'. 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 other than those mentioned in note no. 11 that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2021 and March 31, 2020.

**31 The Company does not have any pending litigation as on March 31, 2021 and March 31, 2020.**

**32 Commitments and contingencies**

There is no contingent Liability as on March 31, 2021 and March 31, 2020.  
Refer note 5 (ii) for undisbursed commitment relating to loans

**33 Related party**

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

**1. Entities where control exists:**

Holding Company DMI Limited

**2. Directors**

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

**3. Company Secretary**

Mr. Nipender Kochhar

**4. Fellow subsidiaries**

Mrs. Shilpi Varshney

**5. Group Entity**

DMI Consumer Credit Private Limited  
DMI Finance Private Limited  
DMI Alternatives Private Limited  
DMI Management Services Private Limited  
DMI Capital Private Limited  
K2VZ, Partnership Firm

**6. Enterprises owned or significantly influenced by Management personnel or their relatives**

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

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

| Equity Share Capital                   | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| <b>DMI Limited</b>                     |                |                |
| Issue of equity shares                 | -              | 22.30          |
| Securities premium received            | -              | 2.10           |
| <b>Mr. Shivashish Chatterjee</b>       |                |                |
| Issue of equity shares                 | 9.32           | -              |
| Securities premium received            | 17.06          | -              |
| <b>Mr. Yuvraja Chanakya Singh</b>      |                |                |
| Issue of equity shares                 | 9.32           | -              |
| Securities premium received            | 17.06          | -              |
| <b>K2VZ, Partnership Firm</b>          |                |                |
| Issue of equity shares                 | -              | 2.72           |
| Call money received towards face value | 10.99          | -              |
| Securities premium received            | 1.36           | 0.34           |

**2. Other Transactions**

| Name of related party                   | Nature of transactions                                       | March 31, 2021  |             |                     | March 31, 2020  |                 |             |                     |
|---|--|-----------------|-------------|---------------------|-----------------|-----------------|-------------|---------------------|
|   |  | Amount received | Amount paid | Outstanding balance | Opening balance | Amount received | Amount paid | Outstanding balance |
| DMI Finance Private Limited (DMIF)      | Rent   | -               | 3.96        | -                   | -               | -               | 3.96        | -                   |
|   | Resource sharing fee   | -               | 44.48       | -                   | -               | -               | 60.48       | -                   |
|   | Reimbursement of expenses                                    | -               | 21.74       | -                   | -               | -               | 0.98        | -                   |
|   | Sale of investment   | 847.26          | -           | -                   | -               | 700.00          | -           | 716.45              |
|   | Amount recoverable for stock option issued to DMIF employees | 2.16            | -           | 9.56                | 3.48            | 3.92            | -           | 7.40                |
| DMI Alternatives Private Limited (DMIA) | Amount recoverable for stock option issued to DMIA employees | 0.05            | -           | 0.24                | 0.08            | 0.11            | -           | 0.19                |
| Shilpi Varshney                         | Remuneration*  | -               | 1.69        | -                   | -               | -               | 1.68        | -                   |
| Nipender Kochhar                        | Director Sitting Fees  | -               | 0.12        | -                   | -               | -               | -           | -                   |

\* The above amount does not include post employment benefits



**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
 (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, 2021 | As at March 31, 2020 |
|-------------------|----------------------|----------------------|
| Tier 1 CRAR       | 76.05%               | 78.62%               |
| Tier 2 CRAR       | 0.32%                | 0.49%                |
| <b>Total CRAR</b> | <b>76.37%</b>        | <b>79.11%</b>        |

**35 Financial risk management objectives and policies**

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk, interest rate risk.

**(A) Liquidity risk**

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

| 31-Mar-21   | upto 1 month | Over 1 month to 2 month | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total     |
|---|--------------|-------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|--------------|-----------|
| <b>Financial assets</b>                           |              |                         |                           |                           |                         |                        |                         |              |           |
| Cash and cash equivalents                         | 285.43       |                         |                           |                           |                         |                        |                         |              | 285.43    |
| Bank balance other than cash and cash equivalents |              |                         |                           |                           |                         |                        | 77.58                   |              | 77.58     |
| Loans   | 102.02       | 102.38                  | 101.61                    | 303.68                    | 605.63                  | 2,416.67               | 2,320.98                | 17,813.55    | 18,766.51 |
| Investments                                       | 3,569.16     | 3.77                    | 3.78                      | 11.34                     | 20.37                   | 32.98                  |                         |              | 3,641.40  |
| Other financial assets                            | -            | 2.74                    | 7.06                      |                           | 12.47                   | 9.80                   |                         | 2.80         | 34.87     |
| <b>Financial liabilities</b>                      |              |                         |                           |                           |                         |                        |                         |              |           |
| Trade Payables                                    | 3.14         |                         |                           |                           |                         |                        |                         |              | 3.14      |
| Debt Securities                                   | -            | 61.20                   | 10.99                     | 74.23                     | 148.16                  | 4,044.47               |                         |              | 4,339.05  |
| Borrowings (other than Debt Securities)           | 298.43       | 120.75                  | 9.50                      | 125.19                    | 250.01                  | 921.92                 | 564.66                  | 437.46       | 2,727.92  |
| Other financial liabilities                       | 3.46         | 3.07                    | 4.17                      |                           |                         | 5.61                   |                         |              | 16.32     |
| <b>31-Mar-20</b>                                  |              |                         |                           |                           |                         |                        |                         |              |           |
| <b>Financial assets</b>                           |              |                         |                           |                           |                         |                        |                         |              |           |
| Cash and cash equivalents                         | 730.91       |                         |                           |                           |                         |                        |                         |              | 730.91    |
| Loans   | 97.04        | 98.37                   | 95.50                     | 294.99                    | 583.75                  | 4,329.39               | 2,216.37                | 12,304.00    | 18,024.50 |
| Investments                                       | 3,302.24     | 5.16                    | 137.88                    | 15.19                     | 82.64                   | 13.26                  |                         |              | 3,556.35  |
| Other financial assets                            | -            |                         |                           |                           |                         |                        |                         | 14.44        | 14.44     |
| <b>Financial liabilities</b>                      |              |                         |                           |                           |                         |                        |                         |              |           |
| Trade Payables                                    | 5.32         |                         |                           |                           |                         |                        |                         |              | 5.32      |
| Debt Securities                                   | 1,532.58     | 61.72                   | 10.96                     | 74.05                     | 147.78                  | 589.22                 | 3,749.86                |              | 6,166.17  |
| Borrowings (other than Debt Securities)           | 3.49         | 3.25                    | 14.73                     | 20.88                     | 40.62                   | 148.71                 | 78.78                   |              | 310.46    |
| Other financial liabilities                       | 241.51       |                         |                           |                           |                         |                        |                         |              | 241.51    |



**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
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**(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**

The Company's risk concentration is managed by type of loan i.e. Housing and Non-Housing (as defined by NHB), the details of which are given below:

| Particulars   | March 31,<br>2021 | March 31,<br>2020 |
|---------------|-------------------|-------------------|
| Housing       | 6,714.63          | 6,315.89          |
| Non-Housing * | 1,435.25          | 1,587.62          |
|               | <b>7,649.88</b>   | <b>7,903.51</b>   |

\* Includes balances of credit substitutes

Note: The amount is net off impairment loss allowance

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

| 31-Mar-21                 | Financial services | Real Estate | Others | Total    |
|---------------------------|--------------------|-------------|--------|----------|
| <b>Financial asset</b>    |                    |             |        |          |
| Cash and cash equivalents | 285.43             | -           |        | 285.43   |
| Investments               | 3,567.48           | 73.92       |        | 3,641.40 |
| Other financial assets    | -                  | -           | 34.87  | 34.87    |

| 31-Mar-20                 | Financial services | Real Estate | Others | Total  |
|---------------------------|--------------------|-------------|--------|--------|
| <b>Financial asset</b>    |                    |             |        |        |
| Cash and cash equivalents | -                  | -           |        |        |
| Investments               | 730.91             | -           |        | 730.91 |
| Other financial assets    | -                  | 933.89      |        | 933.89 |
|                           |                    |             | 14.44  | 14.44  |

**(D) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

**(E) Interest Rate Risk:-**

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report 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 affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. It is essential for the company to not only quantify the interest rate risk but also to manage it proactively. The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

**Interest Rate sensitivity**

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

| Particulars         | As at March<br>2021 | As at March<br>2020 |
|---------------------|---------------------|---------------------|
| <b>Finance Cost</b> |                     |                     |
| 0.50% Increase      | 6.97                | (7.92)              |
| 0.50% Decrease      | (6.97)              | 7.92                |
| <b>Advances</b>     |                     |                     |
| 0.50% Increase      | 35.11               | 30.97               |
| 0.50% Decrease      | (35.11)             | (30.97)             |

**Equity Price Risk**

Equity price risk is the risk that the fair value of equity changes as the result of changes in the level of equity indices and individual stocks. A 10% increase in the fair value of the Company's FVTPL Instruments as at 31st March 2021 would have increase profit by Rs 356.75 Mn (FY 2019-20 Rs 237.63 Mn). An equivalent decrease would have resulted in an equivalent but opposite impact.



**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
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**36 Ind AS 116 : Leases**

**Company as a lessee**

The company has lease contracts for office and residential spaces taken on lease. The lease terms are between 1 to 10 years.

The Company also has certain lease with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

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

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

| Particulars                          | March 31, 2021 | March 31, 2020 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 26.14          | 29.58          |
| Additions made during the year       | -              | 6.11           |
| Depreciation charge for the year     | (8.91)         | (9.55)         |
| Deletion made during the year        | (1.79)         | -              |
| Balance at the end of the year       | 15.44          | 26.14          |

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

| Particulars                          | March 31, 2021 | March 31, 2020 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 28.02          | 29.58          |
| Additions made during the year       | -              | 6.11           |
| Interest accretion for the year      | 2.18           | 2.92           |
| Payments made during the year        | (11.44)        | (10.59)        |
| Deletion made during the year        | (1.48)         | -              |
| Balance at the end of the year       | 17.28          | 28.02          |

The effective interest rate for lease liabilities is 9.5%

The following are the amounts recognized in profit and loss :

| Particulars   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Depreciation expense in respect of right-of-use asset     | 8.91           | 9.55           |
| Interest expense in respect of lease liabilities          | 2.18           | 2.92           |
| Expense relating to short-term leases (included on other) | 5.25           | 4.54           |
| Total amount recognised in profit or loss                 | 16.34          | 17.01          |

The Company's total cash outflows for leases was Rs. 11.44 Mn during year ended March 31, 2021 (Rs.15.14 Mn during the year ended March 31, 2020).

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
 (All amount in Rs. in Millions, except for share data unless stated otherwise)

37 The Company has complied with the NHB Directions, 2010 including Prudential Norms and as amended from time to time. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020- 21/73 DOR.FIN.HFC.CC.No.120/03 10 136/2020-21, 17 February, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) whereas comparative figure have been disclosed 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.

The notes under this table are in crores

Disclosures required by the Reserve Bank of India /National Housing Bank -Refer first sentence

The following additional disclosures have been given in terms of Notification no. DOR.FIN.HFC.CC.No.120/03 10 136/2020-21 dated February 17 2021-Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the RBI

DMI Housing Finance Private Limited is a Housing Finance Company registered with National Housing Bank with registration no 09 0102 12 dated September 20, 2012

**1 Capital**

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| CRAR (%)   |                      |                      |
| CRAR - Tier I capital (%)                              | 76.37%               | 79.11%               |
| CRAR - Tier II capital (%)                             | 76.05%               | 78.62%               |
| Amount of subordinated debt raised as Tier- II Capital | 0.32%                | 0.49%                |
| Amount raised by issue of perpetual Debt Instruments   | -                    | -                    |

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

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>Balance at the beginning of the year</b>  |                      |                      |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987  |                      |                      |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 6.15                 | 1.54                 |
| <b>c) Total</b>  |                      |                      |
| <b>Addition /Appropriation / Withdrawal during the year</b>  | <b>6.15</b>          | <b>1.54</b>          |
| <b>Add:</b>  |                      |                      |
| a) Amount transferred u/s 29C of the NHB Act, 1987   |                      |                      |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 5.26                 | 4.61                 |
| <b>Less:</b>   |                      |                      |
| 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,  |                      |                      |
| <b>Balance at the end of the year</b>  |                      |                      |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987  |                      |                      |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax   | 11.41                | 6.15                 |
| <b>c) Total</b>  | <b>11.41</b>         | <b>6.15</b>          |

**3 Investments**

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>Value of Investment</b>   |                      |                      |
| <b>(i) Gross Value of Investment</b>                                 |                      |                      |
| a) In India  |                      |                      |
| b) Outside India   | 364.30               | 331.96               |
| <b>(ii) Provision for Depreciation</b>                               |                      |                      |
| a) In India  |                      |                      |
| b) Outside India   | 0.16                 | 1.04                 |
| <b>(iii) Net Value of Investment</b>                                 |                      |                      |
| a) In India  |                      |                      |
| b) Outside India   | 364.14               | 330.92               |
| <b>Movement of Provision held towards depreciation on Investment</b> |                      |                      |
| (i) Opening Balance  |                      |                      |
| (ii) Add: Provisions made during the year                            | 1.04                 | 0.07                 |
| (iii) Less: Write off/Write Back of Excess provision during the year | (0.88)               | 0.98                 |
| <b>(iv) Closing Balance</b>  | <b>0.16</b>          | <b>1.04</b>          |

**4 Derivatives**

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

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| (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**   |                      |                      |

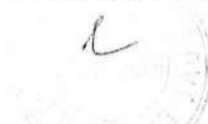
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed

\*Examples of concentration could be exposures to particular industries or swaps with highly geared companies

\*\*If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date

**Exchange Traded Interest Rate (IR) Derivative**

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| (i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)               |                      |                      |
| (ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2021                        |                      |                      |
| (iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) |                      |                      |
| (iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)       |                      |                      |



**Disclosure on Risk Exposure In Derivatives**

**A- Qualitative Disclosure**

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

| Particulars  | As at<br>March 31,<br>2021 | As at<br>March 31,<br>2020 |
|--|----------------------------|----------------------------|
| (a) the structure and organization for management of risks in derivatives trading;   | -                          | -                          |
| (b) the scope and nature of risk management, risk reporting and risk monitoring systems;   | -                          | -                          |
| (c) policies for hedging and /or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges /mitigants; and  | -                          | -                          |
| (d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts, valuation of outstanding contracts; provisioning, collateral and credit risk mitigation | -                          | -                          |

**B- Quantitative Disclosure**

| Particulars                                 | Currency<br>Derivatives | Interest Rate<br>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 RBI Directions for assignment/securitisation transactions as an originator**

| Particulars   | No. /<br>Amount | No. /<br>Amount |
|---|-----------------|-----------------|
|   | 31-Mar-21       | 31-Mar-20       |
| 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 Enhancements                                   | -               | -               |
| First Loss  | -               | -               |
| Others  | -               | -               |
| (II) On-balance sheet exposures towards Credit Enhancement                                    | -               | -               |
| First Loss (In the form of Fixed Deposits)  | -               | -               |
| Series A PTCs   | -               | -               |
| Amount of exposures to securitisation transactions other than MRR                             | -               | -               |
| (I) Off-balance sheet exposures towards Credit Enhancements                                   | -               | -               |
| a) Exposure to own securitizations  | -               | -               |
| First Loss  | -               | -               |
| Others (Guarantees provided by banks on behalf of the Company*)                               | -               | -               |
| b) Exposure to third party securitizations  | -               | -               |
| First Loss  | -               | -               |
| Others  | -               | -               |
| (II) On-balance sheet exposures towards Credit Enhancements                                   | -               | -               |
| a) Exposure to own securitizations  | -               | -               |
| First Loss  | -               | -               |
| Others  | -               | -               |
| b) Exposure to third party securitizations  | -               | -               |
| First Loss  | -               | -               |
| Others  | -               | -               |

\* Only the SPVs relating to outstanding securitisation transactions may be reported here

**b. Details of Financial Assets sold**

| Particulars   | March 31,<br>2021 | March 31,<br>2020 |
|---|-------------------|-------------------|
| 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,<br>2021 | March 31,<br>2020 |
|---|-------------------|-------------------|
| 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**

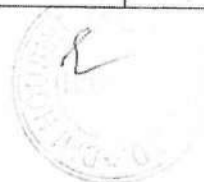
**1) Details of non-performing financial assets purchased:**

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

| Particulars   | March 31,<br>2021 | March 31,<br>2020 |
|---|-------------------|-------------------|
| Number of accounts purchased during the year              | -                 | -                 |
| Aggregate outstanding                                     | -                 | -                 |
| Of these, number of accounts restructured during the year | -                 | -                 |
| Aggregate outstanding                                     | -                 | -                 |

**2) Details of non-performing financial assets sold:**

| Particulars                      | March 31,<br>2021 | March 31,<br>2020 |
|----------------------------------|-------------------|-------------------|
| Number of accounts sold          | -                 | -                 |
| Aggregate outstanding            | -                 | -                 |
| Aggregate consideration received | -                 | -                 |



6 Asset liability management (Maturity pattern of certain items of Assets and Liabilities)

Maturity pattern of certain items of assets and liabilities as on March 31, 2021

| Particulars                  | 1 day to 7 Days | 8 to 14 days | 15 days to 30/31 days | Over one month upto 2 months | Over 2 months upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 to 5 years | Over 5 Years | Total  |
|------------------------------|-----------------|--------------|-----------------------|------------------------------|-----------------------------|---------------------------|-------------------------|------------------------|-------------------|--------------|--------|
| <b>Liabilities</b>           |                 |              |                       |                              |                             |                           |                         |                        |                   |              |        |
| Deposits                     | -               | -            | -                     | -                            | -                           | -                         | -                       | -                      | -                 | -            | -      |
| Borrowings from Bank *       | 0.25            | -            | 29.27                 | 8.94                         | 1.78                        | 9.32                      | 18.64                   | 73.21                  | 47.54             | 40.15        | 229.10 |
| Market Borrowings **         | 2.38            | -            | -                     | -                            | -                           | -                         | -                       | 346.55                 | -                 | -            | 348.92 |
| Foreign Currency Liabilities | -               | -            | -                     | -                            | -                           | -                         | -                       | -                      | -                 | -            | -      |
| <b>Assets</b>                |                 |              |                       |                              |                             |                           |                         |                        |                   |              |        |
| Advances                     | 6.58            | 0.92         | 0.83                  | 2.64                         | 2.69                        | 6.13                      | 13.68                   | 60.31                  | 66.43             | 600.87       | 761.08 |
| Investments                  | 356.75          | -            | 0.17                  | 0.38                         | 0.38                        | 1.13                      | 2.04                    | 3.29                   | -                 | -            | 364.14 |
| Foreign Currency Assets      | -               | -            | -                     | -                            | -                           | -                         | -                       | -                      | -                 | -            | -      |

\* Net of lease liability recognized under Ind AS 116 in respect of leases (other than short-term leases) aggregating to INR 1.73 Crores

\*\* Market borrowings include NCDs raised by the company

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

| Particulars                  | 1 day to 7 Days | 8 to 14 days | 15 days to 30/31 days | Over one month upto 2 months | Over 2 months upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 to 5 years | Over 5 Years | Total  |
|------------------------------|-----------------|--------------|-----------------------|------------------------------|-----------------------------|---------------------------|-------------------------|------------------------|-------------------|--------------|--------|
| <b>Liabilities</b>           |                 |              |                       |                              |                             |                           |                         |                        |                   |              |        |
| Deposits                     | -               | -            | -                     | -                            | -                           | -                         | -                       | -                      | -                 | -            | -      |
| Borrowings from Bank         | -               | -            | 0.13                  | 0.13                         | 1.78                        | 1.54                      | 3.08                    | 12.37                  | 7.37              | -            | 25.85  |
| Market Borrowings            | -               | -            | 150.00                | -                            | -                           | -                         | -                       | 346.60                 | -                 | -            | 496.60 |
| Foreign Currency Liabilities | -               | -            | -                     | -                            | -                           | -                         | -                       | -                      | -                 | -            | -      |
| <b>Assets</b>                |                 |              |                       |                              |                             |                           |                         |                        |                   |              |        |
| Advances                     | -               | -            | 1.51                  | 2.11                         | 1.85                        | 6.40                      | 13.46                   | 58.68                  | 62.96             | 554.47       | 701.44 |
| Investments                  | -               | -            | 308.00                | 0.37                         | 13.07                       | 1.12                      | 7.60                    | 0.25                   | -                 | -            | 330.36 |
| Foreign Currency Assets      | -               | -            | -                     | -                            | -                           | -                         | -                       | -                      | -                 | -            | -      |

7 Exposure

a Exposures to real estate sector

| Category   | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>(A) Direct exposure-</b>  |                      |                      |
| <b>(i) Residential mortgages :</b><br>Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented   | 750.30               | 673.59               |
| <b>(ii) Commercial real estate :</b><br>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; | 18.80                | 92.19                |
| <b>(iii) Investments in mortgage backed securities (MBS) and other securitized exposures :</b><br>(a) Residential<br>(b) Commercial real estate  | -                    | -                    |
| <b>(B) Indirect exposure</b><br>Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)  | -                    | -                    |
| <b>Total Exposure to Real Estate Sector</b>  | <b>769.10</b>        | <b>765.78</b>        |

b Exposure to Capital Market

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| (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)  | -                    | -                    |
| <b>Total Exposure to Capital Market</b>   | <b>-</b>             | <b>-</b>             |

It is clarified that the computation of exposure to the capital markets should be done by HFCs in accordance with the provisions of Paragraph 23.2.2 of these directions.

c 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

f Miscellaneous

f.1 Registration obtained from other Financial sector regulators

The Company has not obtained registration from other Financial sector regulators

f.2 Disclosure of Penalties Imposed by NHB/ RBI and other regulators

DMI Housing Finance Private Limited ("DMHF/Company") has paid a penalty of Rs 23,55,000/- (Rupees Twenty Three Lakh Fifty Five Thousand Only) plus applicable taxes within prescribed timeline as laid down by National Housing Bank ("NHB") vide letter bearing reference no NHB(NB)/HFC/DOS/Sup (Insp)/CUT00871/2021 dated February 25, 2021 with respect to the observations as mentioned in Inspection of DMI Housing Finance Private Limited conducted as per provisions of the NHB Act, 1987- for 31-03-2019 & 31-03-2020

f.3 Related Party Transactions

Refer Note 33





**DMI Housing Finance Private Limited**  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in Crores, except for share data unless stated otherwise)

8.4 Group Structure



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

|  | Name of Rating Agency   | Limit (Rs. in Cr.) | Type of Facility                | Rating Changes               | Change during the year | Date of Change  | Remarks  |
|--|---|--------------------|---------------------------------|------------------------------|------------------------|-----------------|--|
|  |   |                    |                                 | At the beginning of the year |                        |                 |  |
| (i) ratings assigned by credit rating agencies and migration of ratings during the year;   | CARE Ratings  | 100                | Long term Bank Facilities       | CARE AA-(S0); Stable         | CARE AA-(CE); Negative | 6th April 2020  | No New Ratings assigned & withdrawn during the year. |
|  | Brickworks Ratings  | 400                | Non-Convertible Debentures      | BWR AA-(CE) / Stable         | BWR AA-(CE) / Stable   | 20th March 2021 | Rating Withdrawn of Rs 150 Cr during the year.       |
|  | Brickworks Ratings  | 350                | Fund-based Bank Loan Facilities | BWR AA-(CE) / Stable         | BWR AA-(CE) / Stable   | 20th March 2021 | Rating Assigned of 250 Cr during the year.           |
|  | ICRA Ratings  | 50                 | Long-term Fund Based            | NA                           | [ICRA]AA-(Stable)      | 31st March 2021 | Rating Assigned of Rs 50 Cr during the year.         |
| (ii) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries | DMI Housing Finance is incorporated in INDIA and operates through its branch network spread across various states in India. The company has not entered into any joint venture and the company does not have any overseas subsidiary. |                    |                                 |                              |                        |                 |  |

9 Additional Disclosures

9.1 Provisions and Contingencies

| Breakup of 'Provision & Contingencies' shown under the head Expenditure in Profit & Loss Account | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| 1. Provision for Depreciation on Investment  | (0.88)               | 0.92                 |
| 2. Provision made towards Income Tax   | 7.68                 | 8.76                 |
| 3. Provision towards NPA   | (0.30)               | 1.44                 |
| 4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)               | 0.36                 | 1.14                 |
| 5. Provision for undrawn commitments   | (0.17)               | (0.24)               |

| Break up of Loan & Advances and Provisions thereon | Housing              |                      | Non-Housing          |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| <b>Standard Assets</b>                             |                      |                      |                      |                      |
| a) Total Outstanding Amount (refer note 1)         | 621.81               | 617.88               | 143.41               | 182.73               |
| b) Provisions made                                 | 2.13                 | 1.67                 | 0.62                 | 1.68                 |
| <b>Sub-Standard Assets</b>                         |                      |                      |                      |                      |
| a) Total Outstanding Amount                        | 2.49                 | 1.29                 | 0.84                 | 0.36                 |
| b) Provisions made                                 | 0.79                 | 1.29                 | 0.21                 | 0.36                 |
| <b>Doubtful Assets - Category - I</b>              |                      |                      |                      |                      |
| a) Total Outstanding Amount                        | 0.25                 | -                    | 0.18                 | -                    |
| b) Provisions made                                 | 0.24                 | -                    | 0.08                 | -                    |
| <b>Doubtful Assets - Category - II</b>             |                      |                      |                      |                      |
| a) Total Outstanding Amount                        | 0.10                 | -                    | 0.01                 | -                    |
| b) Provisions made                                 | 0.03                 | -                    | 0.00                 | -                    |
| <b>Doubtful Assets - Category - III</b>            |                      |                      |                      |                      |
| a) Total Outstanding Amount                        | -                    | -                    | -                    | -                    |
| b) Provisions made                                 | -                    | -                    | -                    | -                    |
| <b>Loss Assets</b>                                 |                      |                      |                      |                      |
| a) Total Outstanding Amount                        | -                    | -                    | -                    | -                    |
| b) Provisions made                                 | -                    | -                    | -                    | -                    |
| <b>TOTAL</b>                                       |                      |                      |                      |                      |
| a) Total Outstanding Amount                        | 624.65               | 619.17               | 144.44               | 183.09               |
| b) Provisions made                                 | 3.19                 | 2.96                 | 0.92                 | 2.04                 |

Note:

a) The Total Outstanding Amount mean Principal + accrued interest + other charges pertaining to loans without netting off

b) The category of Doubtful Assets will be as under:

| Period for which the assets has been considered Doubtful | Category       |
|--|----------------|
| Upto one year:   | Category - I   |
| One to three years:                                      | Category - II  |
| More than three years :                                  | Category - III |



9.2 Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2021(2020-Nil)

9.3 Concentration of Advances, Exposures and NPAs

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| <b>Concentration of Loans &amp; Advances</b>                                     |                      |                      |
| Total Loans & Advances to twenty largest borrowers                               | 25.47                | 125.82               |
| (%) of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 3.31%                | 15.84%               |
| <b>Concentration of all Exposures (including off-balance sheet exposure)</b>     |                      |                      |
| Total Exposures to twenty largest borrowers/Customers                            | 30.59                | 135.27               |
| (%) of Exposures to twenty largest borrowers/Customers to                        | 3.65%                | 16.09%               |
| <b>Concentration of NPAs</b>   |                      |                      |
| Total Exposures to top ten NPA accounts  | 1.56                 | 1.35                 |

9.4 Sector wise NPA

| Sector                       | % of NPAs to total Advances in that sector |                      |
|------------------------------|--|----------------------|
|                              | As at March 31, 2021                       | As at March 31, 2020 |
| <b>A. Housing Loans:</b>     |  |                      |
| 1 Individuals                | 0.46%                                      | 0.21%                |
| 2 Builders/Project Loans     | 0.00%                                      | -                    |
| 3 Corporates                 | 0.00%                                      | -                    |
| 4 Others (specify)           | 0.00%                                      | -                    |
| <b>B. Non Housing Loans:</b> |  |                      |
| 1 Individuals                | 0.78%                                      | 0.50%                |
| 2 Builders/Project Loans     | 0.00%                                      | -                    |
| 3 Corporates                 | 0.29%                                      | 0.04%                |
| 4 Others (specify)           | 0.00%                                      | -                    |

9.5 Movement of NPAs

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| (I) Net NPAs to Net Advances (%)   | 0.33%                | 0.00%                |
| (II) Movement of NPAs (Gross)  |                      |                      |
| a) Opening Balance   | 1.65                 | 0.39                 |
| b) Additions during the year   | 3.34                 | 1.65                 |
| c) Reductions during the year  | (1.11)               | (0.39)               |
| d) Closing Balance   | 3.88                 | 1.65                 |
| (III) Movement of Net NPAs   |                      |                      |
| a) Opening Balance   |                      | 0.33                 |
| b) Additions during the year   | 2.19                 | -                    |
| c) (Reductions)/Additions during the year                                      | 0.34                 | (0.33)               |
| d) Closing Balance   | 2.53                 | -                    |
| (IV) Movement of Provisions for NPAs (excluding provisions on standard assets) |                      |                      |
| a) Opening Balance   | 1.65                 | 0.06                 |
| b) Provisions made during the year   | 1.15                 | 1.65                 |
| c) Write-off/Write-Back of excess provisions                                   | (1.45)               | (0.06)               |
| d) Closing Balance   | 1.35                 | 1.65                 |

9.6 Overseas Assets

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|-------------|---------------------|---------------------|
| NIL         |                     |                     |

The company does not have any overseas assets

9.7 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

9.8 Customers Complaints

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| No. of complaints pending at the beginning of the year | -                    | -                    |
| No. of complaints received during the year *           | 14                   | 70                   |
| No. of complaints redressed during the year            | 14                   | 70                   |
| No. of complaints pending at the end of the year       | -                    | -                    |

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

10 Liquidity Risk Management Framework

10.1 Funding Concentration based on significant instrument/product

| Name of the instrument/product                         | Amount | % of Total Liabilities |
|--|--------|------------------------|
| Non Convertible Debentures                             | 348.92 | 59.48%                 |
| Term Loans   | 204.09 | 34.79%                 |
| Working Capital Demand loan (Includes lease liability) | 26.74  | 4.56%                  |

10.2 Funding Concentration based on significant counterparty

| No. of significant counterparties | Amount* | % of Total Liabilities |
|-----------------------------------|---------|------------------------|
| 4                                 | 566.77  | 96.61%                 |

\* Represents contractual amount

10.3 Top 10 Borrowings

| Particulars                               | Amount* |
|---|---------|
| Top 10 borrowings (millions)              | 576.48  |
| Top 10 borrowings (% of Total borrowings) | 100.00% |

\* Represents contractual amount



11 Stock Ratios

|  |        |
|--|--------|
| CP as % of total public funds  | NA     |
| CP as % of total liabilities   | NA     |
| CP as % of total assets  | NA     |
| NCD (original maturity of less than 1 year) as % of total public funds | NA     |
| NCD (original maturity of less than 1 year) as % of total liabilities  | NA     |
| NCD (original maturity of less than 1 year) as % of total assets       | NA     |
| Other short term liabilities as % of total public funds                | 17.94% |
| Other short term liabilities as % of total liabilities                 | 17.77% |
| Other short term liabilities as % of total assets                      | 6.36%  |

12 Principal Business Criteria for HFCs

Principal Business Criteria for the Company to be classified as "Housing Finance Company" as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR FIN HFC.CC.No 120/03.10.136/2020-21, 17 February, 2021 is given below:

| Particulars  | As at March 2021 |
|--|------------------|
| Total Assets*  | 1176.24          |
| Less: Intangible Assets  | 1.75             |
| Net Total Assets   | 1174.49          |
| Housing Finance**  | 624.62           |
| Individual Housing Finance**   | 624.62           |
| Percentage of Housing Finance to Total Assets (Netted of Intangible Assets)            | 53.18%           |
| Percentage of Individual Housing Finance to Total Assets (Netted of Intangible Assets) | 53.18%           |

\* Total assets is gross of impairment loss allowance amounting to Rs. 4.11 crores

\*\* Represents contractual amount

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DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in Millions, except for share data unless stated otherwise)  
The note under this table are in crores

13 Schedule to the Balance Sheet of an HFC

| S.No                    | S.No  | Particulars  | Amount Outstanding             | Amount Overdue                        |
|-------------------------|-------|--|--------------------------------|---------------------------------------|
| <b>Liabilities side</b> |       |  |                                |                                       |
| 1                       |       | <b>Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>   |                                |                                       |
|                         | a     | Debtentures : Secured  | 348.92                         |                                       |
|                         |       | Debtentures : Unsecured<br>(other than falling within the meaning of public deposits*)   |                                |                                       |
|                         | b     | Deferred Credits   |                                |                                       |
|                         | c     | Term Loans   |                                |                                       |
|                         | d     | Inter corporate loans and borrowings   | 229.10                         |                                       |
|                         | e     | Commercial Paper   |                                |                                       |
|                         | f     | Public Deposit   |                                |                                       |
|                         | g     | Other loans ( lease liability)   | 1.73                           |                                       |
| 2                       |       | <b>Break-up of Loans and Advances including bills receivables [other than those Included in (4) below]:</b>                              |                                |                                       |
|                         | a     | Secured*   | 769.10                         |                                       |
|                         | b     | Unsecured  | Nil                            |                                       |
| 3                       |       | <b>Current Investments</b>   |                                |                                       |
|                         | 1     | <b>Quoted</b>  |                                |                                       |
|                         | (i)   | Shares   |                                |                                       |
|                         |       | (A) Equity   | -                              |                                       |
|                         |       | (B) Preference   | -                              |                                       |
|                         | (ii)  | Debtentures and Bonds  | -                              |                                       |
|                         | (iii) | Units of Mutual Funds  | -                              |                                       |
|                         | (iv)  | Government Securities  | -                              |                                       |
|                         | (v)   | Others (Please specify)  | -                              |                                       |
|                         | 2     | <b>Unquoted</b>  |                                |                                       |
|                         | (i)   | Shares   |                                |                                       |
|                         |       | (A) Equity   | -                              |                                       |
|                         |       | (B) Preference   | -                              |                                       |
|                         | (ii)  | Debtentures and Bonds  | -                              |                                       |
|                         | (iii) | Units of Mutual Funds  | -                              |                                       |
|                         | (iv)  | Government Securities  | 356.75                         |                                       |
|                         | (v)   | Others (Please specify) - Commercial Paper   | -                              |                                       |
|                         |       | <b>Long Term Investments</b>   |                                |                                       |
|                         | 1     | <b>Quoted</b>  |                                |                                       |
|                         | (i)   | Shares   |                                |                                       |
|                         |       | (A) Equity   | -                              |                                       |
|                         |       | (B) Preference   | -                              |                                       |
|                         | (ii)  | Debtentures and Bonds  | -                              |                                       |
|                         | (iii) | Units of Mutual Funds  | -                              |                                       |
|                         | (iv)  | Government Securities  | -                              |                                       |
|                         | (v)   | Others (Please specify)  | -                              |                                       |
|                         | 2     | <b>Unquoted</b>  |                                |                                       |
|                         | (i)   | Shares   |                                |                                       |
|                         |       | (A) Equity   | -                              |                                       |
|                         |       | (B) Preference   | -                              |                                       |
|                         | (ii)  | Debtentures and Bonds  | -                              |                                       |
|                         | (iii) | Units of Mutual Funds  | -                              |                                       |
|                         | (iv)  | Government Securities  | -                              |                                       |
|                         | (v)   | Others (Please specify) - Pass through certificate, Units of debt fund and security receipts#  | -                              |                                       |
| 4                       |       | <b>Borrower group-wise classification of assets financed as in (3) and (4) above:</b>  |                                |                                       |
|                         |       | <b>Category</b>  | <b>Amount net of provision</b> |                                       |
|                         |       |  | <b>Secured</b>                 | <b>Unsecured</b>                      |
|                         | a.    | Subsidiaries   |                                |                                       |
|                         | b.    | Companies in the same group  | -                              | -                                     |
|                         | c.    | other related parties  | -                              | -                                     |
|                         |       | Other than related parties   | 764.99                         | -                                     |
|                         |       | <b>Total</b>   |                                |                                       |
| 5                       |       | <b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b> |                                |                                       |
|                         |       | <b>Category</b>  | <b>Market Value</b>            | <b>Book value (net of provisions)</b> |
|                         | a.    | Subsidiaries   | -                              | -                                     |
|                         | b.    | Companies in the same group  | -                              | -                                     |
|                         | c.    | other related parties  | -                              | -                                     |
|                         |       | Other than related parties   | 356.75                         | -                                     |
|                         |       | <b>Total</b>   | 356.75                         | -                                     |
| 6                       |       | <b>Other information</b>   |                                |                                       |
|                         |       | <b>Particulars</b>   |                                | <b>Amount</b>                         |
|                         |       | <b>Gross Non Performing Assets</b>   |                                |                                       |
|                         | a.    | Related parties  |                                |                                       |
|                         | b.    | Other than related parties   |                                | 3.88                                  |
|                         |       | <b>Net Non Performing Assets</b>   |                                |                                       |
|                         | a.    | Related parties  |                                |                                       |
|                         | b.    | Other than related parties   |                                | 2.53                                  |

\*Includes balance of credit substitutes



DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in Millions, except for share data unless stated otherwise)  
The note under this table are in crores

- 14 A comparison between provisions required under income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial Instruments'

| Asset Classification as per RBI Norms   | Asset Classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| 1   | 2                                      | 3                                   | 4   | 5=3+4               | 6                                      | 7=4-6  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage1                                 | 750.38                              | 2.42  | 747.96              | 2.27                                   | 0.15   |
|   | Stage2                                 | 14.84                               | 0.34  | 14.51               | 0.85                                   | (0.51)   |
| <b>Subtotal</b>   |  | <b>765.22</b>                       | <b>2.76</b>   | <b>762.47</b>       | <b>3.12</b>                            | <b>(0.36)</b>  |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage3                                 | 3.34                                | 1.00  | 2.34                | 0.50                                   | 0.50   |
| Doubtful - up to 1 year   | Stage3                                 | 0.43                                | 0.32  | 0.11                | 0.31                                   | 0.01   |
| 1 to 3 years  | Stage3                                 | 0.11                                | 0.03  | 0.08                | 0.16                                   | (0.13)   |
| More than 3 years   | Stage3                                 | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for doubtful</b>  |  | <b>0.54</b>                         | <b>0.35</b>   | <b>0.19</b>         | <b>0.47</b>                            | <b>(0.11)</b>  |
| Loss  | Stage3                                 | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for NPA</b>   |  | <b>3.88</b>                         | <b>1.35</b>   | <b>2.52</b>         | <b>0.97</b>                            | <b>0.39</b>  |
| Other Items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage1                                 | 68.91                               | 0.11  | 68.80               | -                                      | 0.11   |
|   | Stage2                                 | -                                   | -   | -                   | -                                      | -  |
|   | Stage3                                 | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>68.91</b>                        | <b>0.11</b>   | <b>68.80</b>        | <b>-</b>                               | <b>0.11</b>  |
| <b>Total</b>  | Stage1                                 | <b>819.29</b>                       | <b>2.53</b>   | <b>816.76</b>       | <b>2.27</b>                            | <b>0.26</b>  |
|   | Stage2                                 | <b>14.84</b>                        | <b>0.34</b>   | <b>14.51</b>        | <b>0.85</b>                            | <b>(0.51)</b>  |
|   | Stage3                                 | <b>3.88</b>                         | <b>1.35</b>   | <b>2.52</b>         | <b>0.97</b>                            | <b>0.39</b>  |
|   | <b>Total</b>                           | <b>838.01</b>                       | <b>4.22</b>   | <b>833.79</b>       | <b>4.09</b>                            | <b>0.13</b>  |

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**DMI Housing Finance Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
 (All amount in Rs. in millions, except for share data unless stated otherwise)

38 (a) The outbreak of CoVID-19 virus and more specifically the ongoing current wave of infection and resultant lockdown continue to cause impact on global & local economic activities. The company's operations and financial metrics will depend on future developments, which are uncertain including among other things, the current wave that has significantly increased the number of cases in India and any action of containing its spread or mitigate its impact

In accordance with the CoVID-19 Regulatory Packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of instalments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to eligible borrowers. For such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e., the number of days past due excluded the moratorium period for the purposes of asset classification under income Recognition, Asset Classification and Provisioning Norms)

In view of the above, the ECL provisions has been determined based on estimates and using information available as of the reporting date and given the uncertainties relating to the impact of CoVID-19, the period of which current wave may continue and relief measures that may be announced by the Government, the expected credit loss including management overlay is based on various variables and assumptions which could result in actual credit loss being different than that estimated".

(b) Disclosure on refund of Interest on interest amount : Pursuant to the Notification vide: RBI/2021-22/17 DOR STR REC 4/21 04 04R/2021-22 dated April 7, 2021, company has refunded/ adjusted amount of Rs. 0.22 Mn to its borrowers, which was initially charged as interest on interest amount during the moratorium Period of March 1, 2020 to August 31, 2021

39 (a) Disclosures are required in terms of circular Issued by RBI on COVID 19 Regulatory Package- Asset Classification and Provisioning, RBI/2019-20/220/DOR.No.B.P.BC.63/21.04.048/2020-21,17 April 2020

| Particulars   | Amount |
|---|--------|
| (i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of abovementioned the RBI circular |        |
| (ii) Respective amount where asset classification benefits is extended  | 66.57  |
| (iii) Total Provisions made*  | 16.86  |
| (iv) Provisions adjusted during the respective accounting periods against slippages*  | 2.17   |
| (v) residual provisions in terms of paragraph 6*  | 1.02   |
|   | 1.15   |

\* Provision as per prudential norms

Note: Numbers represents contractual cashflows

Assets classification benefits extended to 15 accounts having total exposure of Rs. 16.86 Mn.

39 (b) Disclosure of cases restructured under Resolution Framework for Covid-19 related stress

| Type of Borrower | (A)<br>Number of accounts where resolution plan has been implemented under this window | (B)<br>exposure to accounts mentioned at (A) before implementation of the plan | (C)<br>Of (B), aggregate amount of debt that was converted into other securities | (D)<br>Additional funding sanctioned, if any including between invocation of the plan and implementation | (E)<br>Increase in provisions on account of the implementation of the resolution plan*# |
|------------------|--|--|--|--|---|
| Personal Loans** | 75   | 65.20  | -  | 1.97   | 6.73  |
| <b>Total</b>     | <b>75</b>  | <b>65.20</b>   | <b>-</b>   | <b>1.97</b>  | <b>6.73</b>   |

\*Represents 10% provision held by Company in accordance with circular number DOR.No.BP.BC/3/21 04 04R/2020-21 dated August 6, 2020

\*\* Represents home loans and non-home loans

#Represents provision calculated on outstanding amount including interest accrued as on March 31, 2021 in respect of these loans

40 Fair values

The management has assessed that the fair value of financial assets and financial liabilities measured at amortized cost, except debt securities and fixed rate loans given to corporates, approximates their respective carrying value due to either the short-term maturity of these instruments or because they carry market rate linked floating rate of interest. The details of the fair valuation techniques used and the fair value of the Company's financial assets and liabilities are as follows:

**Loans**

The carrying value of corporate portfolio which includes credit substitute is 188.00 Mn and the fair value is 193.02 Mn and the same is classified under Level 2

**Borrowings**

The carrying value of debt securities as at March 31, 2021 is Rs. 3,489.22 million and fair value is Rs. 3,596.40 million and the same is classified under Level 2

**Assets measured at fair value**

The company's investments in mutual fund is the only financial asset measured at fair value through profit and loss. The fair value of units held in mutual funds are measured based on their published net asset value (NAV) taking into account redemption and/ or any other restrictions. Such instruments are classified under Level 2.

**Valuation technique**

The fair value of debt securities is determined by discounting expected future cash flows using current market interest rate being charged for new borrowings. The fair value of fixed rate portfolio is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans

There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.



DMI Housing Finance Private Limited  
Notes to the Financial Statements for the year ended March 31, 2021  
(All amount in Rs. in millions, except for share data unless stated otherwise)

41. Maturity analysis of Assets and Liabilities

| Particulars  | As at March 31, 2021 |                 |           | As at March 31, 2020 |                 |           |
|--|----------------------|-----------------|-----------|----------------------|-----------------|-----------|
|  | Within 12 months     | After 12 months | Total     | Within 12 months     | After 12 months | Total     |
| <b>ASSETS</b>  |                      |                 |           |                      |                 |           |
| <b>Financial Assets</b>  |                      |                 |           |                      |                 |           |
| Cash and cash equivalents  | 285.43               |                 | 285.43    | 730.03               |                 | 730.03    |
| Bank balances other than cash and cash equivalents   |                      | 77.58           | 77.58     |                      |                 |           |
| Loans  | 312.48               | 7,263.49        | 7,575.97  | 300.04               | 6,669.49        | 6,969.53  |
| Investments  | 3,608.42             | 39.98           | 3,648.40  | 3,306.75             | 3.39            | 3,310.14  |
| Other financial assets   | 22.26                | 12.61           | 34.87     |                      | 14.44           | 14.44     |
| <b>Non-financial assets</b>  |                      |                 |           |                      |                 |           |
| Current tax assets (net)   | 17.63                |                 | 17.63     | 14.14                |                 | 14.04     |
| Deferred tax assets (net)  |                      |                 |           |                      |                 |           |
| Property, plant and equipment  |                      | 41.24           | 41.24     |                      | 17.31           | 10.71     |
| Intangible assets under development  |                      | 0.65            | 0.65      |                      | 51.04           | 60.38     |
| Other intangible Assets  |                      | 16.84           | 16.84     |                      | 12.16           | 12.16     |
| Other non-financial assets   | 25.17                | 0.18            | 25.35     | 14.64                | 0.51            | 0.51      |
| <b>Assets held for sale</b>  | 4.23                 |                 | 4.23      |                      |                 |           |
| <b>LIABILITIES AND EQUITY</b>  | 4,375.78             | 7,445.53        | 11,821.31 | 4,375.68             | 6,761.48        | 11,137.16 |
| <b>LIABILITIES</b>   |                      |                 |           |                      |                 |           |
| <b>Financial Liabilities</b>   |                      |                 |           |                      |                 |           |
| Payables   |                      |                 |           |                      |                 |           |
| Payables   |                      |                 |           |                      |                 |           |
| (i) Trade Payables   |                      |                 |           |                      |                 |           |
| (ii) Total outstanding dues of micro enterprises and small enterprises                       | 0.94                 |                 | 0.94      |                      |                 |           |
| (iii) Total outstanding dues of creditors other than micro enterprises and small enterprises |                      |                 |           |                      |                 |           |
| Debt Securities  | 2.20                 |                 | 2.20      | 5.37                 |                 | 5.32      |
| Borrowings (other than Debt Securities)  | 23.76                | 3,485.46        | 3,489.22  | 1,500.00             | 1,515.58        | 3,015.58  |
| Other financial liabilities  | 684.65               | 623.47          | 1,308.12  | 68.71                | 216.69          | 286.40    |
| <b>Non-financial liabilities</b>   |                      |                 |           |                      |                 |           |
| Provisions   |                      |                 |           |                      |                 |           |
| Deferred tax liabilities (net)   | 3.35                 | 23.97           | 23.73     | 2.94                 | 4.50            | 18.47     |
| Other Non-financial liabilities  |                      | 2.26            | 2.26      |                      |                 |           |
| <b>Equity</b>  | 23.48                |                 | 23.48     | 54.44                |                 | 54.68     |
| Equity share capital   |                      | 4,859.05        | 4,859.05  |                      | 4,829.41        | 4,829.41  |
| Other equity   |                      | 995.83          | 995.83    |                      | 684.79          | 684.79    |
|  | 746.08               | 10,895.27       | 11,641.35 | 1,874.20             | 9,262.97        | 11,137.16 |

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

per Anil Kishore  
Partner  
Membership No. 094533  
Place: Gurugram  
Date: 30/06/2021



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

*Shweta*  
Shweta Chatterjee  
(Director)  
Dir: 02623460  
Place: NEW YORK  
Date: 30/06/2021

*Yuvika Chandra Singh*  
Yuvika Chandra Singh  
(Director)  
Dir: 02601179  
Place: NEW YORK  
Date: 30/06/2021

*Supri Varshney*  
Supri Varshney  
(Company Secretary)  
Membership No: A31180  
Place: NEW DELHI  
Date: 30/6/2021

