DIRECTOR'S REPORT

Dear Members,
DMI Housing Finance Private Limited

The Board of Directors of the Company are pleased to present the 11th Director's Report on business and operations of DMI Housing Finance Private Limited ("**DMI HFC/Company**") along with the Audited Financial Statements for the financial year ended March 31, 2022. This Report read with the Management Discussion and Analysis included details of the macroeconomic scenario, Company's performance and various initiatives taken by the Company.

OVERVIEW:

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

Further, the Company has an expanded network across various states and at present have 39 branches all over the country with 292 employees on payroll.

FINANCIAL RESULTS:

(₹ in Million)

Particulars	**March 31, 2022**	**March 31, 2021**
Income from Operations	1,183.48	1,122.27
Other Income	-	-
Total Income	**1,183.48**	**1,122.27**
Total Expenditure	926.61	769.96
Profit/(Loss) before Taxation	256.87	352.31
Tax Expenses/(Credits)	64.68	89.09
Profit/(Loss) after Taxation	**192.19**	**263.22**
Other Comprehensive Income	1.02	0.90
Total Comprehensive Income for the year	**193.21**	**264.12**
Capital Redemption Reserve	-	-
Reserve Fund u/s Sec 29C of NHB Act, 1987		
Balance at the beginning of the year	114.18	61.54
Add: Amount transferred from surplus of Profit and Loss	38.44	52.64
Balance at the end of the year (A)	**152.62**	**114.18**
Retaining earning		
Balance at the beginning of the year	376.34	164.86
Add: Profit for the year after all deductions	154.77	211.48
Balance in Profit/(Loss) Account in balance sheet (B)	**531.11**	**376.34**
Share Based Payment Reserve (C)	**35.62**	**21.84**
Share and Warrant Premium (D)	**495.04**	**483.48**
Reserves and Surplus (A+B+C+D)	**1,214.39**	**995.83**

FINANCIAL PERFORMANCE OF THE COMPANY

The outbreak of COVID-19 in March 2020, had been a period of instability and fluctuations globally owing to the pandemic which led to economic disturbances and clampdown on discretionary spendings (particularly from high-income groups). Further, 2021-22 was also marked as a year of global economic pressure with outbreak of two COVID waves. Thus, the first quarter of the FY 2021-22 was impacted by partial/ complete lockdown in the country, resulting in decline in the quarterly disbursements, however, the business had showed up growth and progress from second quarter onwards owing to the improvement in economic conditions and other strategic and remedial measures resulting in increase in loan portfolio and total income of the Company.

In the phase of fluctuations, the Company had shown a stable and significant performance resulting in overall increase in the total income to ₹ 1183.48 Million in FY 2021-22 as compared to ₹ 1122.27 Million in the previous financial year. However, the Profit after Tax reduced to ₹ 192.19 Million as on March 31, 2022, in comparison to ₹ 263.22 Million as on March 31, 2021, owing to increased expenditure of ₹ 926.61 Million in FY 2021-22 as compared to ₹ 769.96 Million in FY 2021 due to increase in employee benefit cost, Finance and Credit cost (additional provisioning and borrowing costs) of the Company.

Business Developments and Key Initiatives: During the Financial year under review, the Company had worked on "Account aggregator integration "which is a process meant for credit underwriting and works on the basis of consent from the borrower to the lender to access the data available with a particular bank (where the borrower is holding an account) on real time basis in encrypted format for evaluation. The said integration is in process of being implemented on world-wide level and DMI Housing Finance is the one of the first Company in "***Housing Finance***" sector to implement this system.

Further, the Company had also been working towards taking the key-initiatives for future growth which shall include Direct assignment, Co-lending, and business correspondence. The Company is also taking relevant steps towards starting the digital sourcing in the housing finance business via opening new sourcing channels for low-cost acquisition. Also, the said plan shall enable to expand the business apart from the traditional branch model in future.

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

PORTFOLIO GROWTH AND ASSET QUALITY

Loan Portfolio & Net Owned Funds

The portfolio of the company has grown to INR 8619.56 Million as on March 31, 2022, from INR 7690.98 Million as on March 31, 2021, in-spite of slow and slur economic environment. The portfolio distribution for the Financial year 2021-22 in comparison to previous financial year is presented as under:

S. No	Particulars	2021-22 Amount (Million)	2021-22 (Percentage)	2020-21 Amount (Million)	2020-21 (Percentage)
1.	**Housing Loans**	7,111.42	82.50%	6,246.5	81.22%
2.	**Non-Housing Loans**	1,483.84	17.21%	1,256.5	16.34%
3.	**Corporate Loans**	24.30	0.28%	188	2.44%
	Total	**8,619.56**	**100**	**7,690.98**	**100**

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

Further, the Company had a healthy composition of Salaried v/s. SENP customers and Home Loan v/s Non-Home loan stands at comfortable positions. The Average portfolio LTV was 56.6%.

Further, during the financial year 2021-22, due to the outbreak of COVID-19 second wave 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 over the period.

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.

The Net owned funds of the Company stood at INR 6018.68 Million as on March 31, 2022, as compared to INR 5832.56 Million as on March 31, 2021.

Credit Evaluation and NPA Levels

During the Financial due to the impact of severe COVID-19 second wave in Q1 (FY 2021-22) and 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 had been sufficiently controlled. The quarter wise movement of NPA for Financial Year 2021-22 (*comparation with March 2021)* are given as under:

(in Millions)

Particulars	June 2021	September 2021	December 2021	March 2022
GNPA	87.63	81.32	92.6	83.3
NNPA	72.9	66.11	73.11	53.43

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

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

The amount of Gross NPA as on March 31, 2022, was INR 83.30 Million against which the Company had asper the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 had fulfilled the requirement for maintenance of the required provisions.

The Gross NPA level stood at 0.97 % and Net NPA stood at 0.62% as on March 31, 2022.

ECL provisioning

In accordance with Ind AS 109, the Company measures expected credit losses on its financial instruments and had a process to assess credit risk of all exposures at each year end. Accordingly, the Company had created adequate ECL provisioning as required. Details of the same are part of the notes to accounts of the audited financials for March 31, 2022.

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 theReserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company basedon its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

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

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 continueto carry out activities of Housing Finance, the company was asked by National Housing bank via e-mail dated July 04, 2022, to submit the details regarding fulfilment of the conditions specified there in.

Thus, in respect with the same the Company had duly submitted the details (duly certified by the statutory auditors of the Company) of the key parameters (as asked for) to NHB based on audited financials for the Financial year 2021-22.

The component of Housing Finance Loans out of the total portfolio is as under:

S.No.	**Particulars**	**FY 2021-22**
Criteria 1	Financial Assets/Total Assets (net of intangible assets)	94.34%
Criteria 2	Housing Finance / Total Assets (net of Intangible Assets)	61.50%

CAPITAL ADIQUACY RATIO (CRAR)

The company was maintaining a healthy CRAR of 87.03 % which was higher than the prescribed minimum CRAR as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time. Below mentioned are the details of CRAR of Tier I and Tier II Capital.

Particulars	**March 31, 2022**	**March 31, 2021**
(i) CRAR (%)	87.03%	76.37%
(ii) CRAR – Tier I Capital (%)	86.46%	76.05%
(iii) CRAR – Tier II Capital (%)	0.57%	0.32%

DETAILS OF RESERVE FUND UNDER NHB ACT, 1987

The break-up of the amounts/profits proposed to be carried to reserves for FY 2021-22, is set out hereinbelow:

(₹ in Million)

Particulars	**March 31, 2022**	**March 31, 2021**
Capital Redemption Reserve	-	-
Reserve Fund u/s Sec 29C of NHB Act, 1987	152.62	114.18

DIVIDEND

Considering the stress created by the COVID-19 pandemic in the industry and to conserve the cash resources for future growth of the Company, the Board does not recommend any interim/final dividend for the financial year ended March 31, 2022.

STATE OF COMPANY AFFAIRS

Share Capital

During FY 2021-22, the issued, subscribed and paid-up share capital of the Company underwent following changes:

Changes in Paid-Up Share Capital

Issuance of Equity Shares:

During the financial year 2021-22, the Company issued and allotted 93,399 equity shares. Also, the Company received the approval from the members of the Company to modify the terms of Class A Equity shares of the Company by entitling the said class of shares to Voting Rights and thereby removing Class A category of Equity shares.

Issue of Convertible Share Warrants

The Company during the financial year under review, issued and allotted 50,12,516 convertible share warrants on various dates to eligible employees, consultants and Directors of the Company in accordance with the terms of Warrant Subscription Agreement executed between the Company and the Warrant Holders.

BORROWINGS PROFILE

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

The total outstanding borrowings of the Company as on March 31, 2022, in the form of Term Loans, Cash Credit from Banks, Non-Convertible Debentures and borrowings from National Housing Bank are as follows:

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

S. No	Particulars	Outstanding Amount (Million)
1.	Cash Credit from Banks	0.00
2.	Term Loans from Banks	563.99

(b) National Housing Bank Refinance:

S. No	Details of the Sanction	Outstanding as on March31, 2022 (Million)
1.	General Refinance Scheme	447.79
2.	LIFt Scheme of NHB	512.79
	Totals	**960.58**

Further, during the Financial Year 2021-22 the Company had **repaid the principal along with interest under Special Refinance Facility (SRF) on May 20, 2021"** and has duly completed the applicable ROC filings.

Also, during the FY 2021-22, the Company had on November 25, 2021, applied for additional refinance assistance i.e., refinance scheme under **Affordable Housing Fund (AHF)** for INR 500 million, and had received the sanction approval for the same on March 11th, 2022. Further, the Company had submitted all the required documents to NHB and had completed all the required applicable ROC filings, however, the Company is still awaiting the disbursement of the facility from NHB.

(c) Non-Convertible Debentures:

During the Financial year 2021-22, the Company had not issued any Non-Convertible Debentures (NCDs). Therefore, the debt securities of the Company as on March 31, 2022, stands at INR 3466 Million. During the Financial year under review, there had been **NIL** Non-convertible debentures which had become due for redemption. Thus, NCDs under para 68.1 and 68.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 stands **NIL.**

To summarize, the borrowing mix of the Company consisting of term loans, working capital, cash credit limits and non-convertible debentures stands as follows as on March 31, 2022:

S.No	Type of Security	Amount outstanding (₹ in Million)	% of total borrowings outstanding as on March 31, 2022
1	Term Loans	563.99	11.30%
2	Refinance from NHB	960.58	19.25%
3	Non-Convertible Debentures	3,466	69.45%
	Total	**4,990.57**	**100%**

(d) Credit Ratings

Further, the ratings for the assigned by the credit rating agencies during the Financial year 2021-22 are as under:

Type of Borrowing	Rating Agency	Amount (₹ in Million)	Rating
Long Term Bank Facility	CARE Ratings	1,000.00	CARE AA-; Stable
Non-Convertible Debentures	Brickworks Ratings	4,000.00	BWR AA- (CE) / Stable
Fund-based Bank Loan Facilities	Brickworks Ratings	3,500.00	BWR AA- (CE) / Stable
Fund based bank facilities	ICRA Ratings	3,500.00	[ICRA]AA- (Stable) {Rating Assigned of INR 3000 Million during the Year}
Non-Convertible Debentures	ICRA Ratings	4,000.00	[ICRA]AA- (Stable) {Rating Assigned of INR 4000 Million during the Year}

Also, during the Financial year under review, the status credit rating assigned from CARE Ratings had been revised to independent rating i.e., CARE AA-; Stable from the previous status of "credit enhancement" i.e., CARE AA- (CE) as on Financial year end March 2021.

EMPLOYEE STOCK OPTION PLAN, 2018 AND ESOP SCHEMES

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

Further, the Company in the meeting of Nomination and remuneration Committee, had proposed and approved the following schemes falling under DMI HFC ESOP Plan 2018 and revised DMI HFC ESOP Plan 2018 for 2021-22 and thus, granted the options under the approved schemes.

Also, as per the existing DMI HFC ESOP Plan 2018 (“***ESOP Policy***”) approved by the Board and Shareholders, the employees of the Company were entitled to acquire Class A equity shares (non-voting shares) of the Company at the time of exercise of stock options.

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

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

(a) Options granted during the FY 2021-22: 5,75,212
(b) Options vested: 51,26,745
(c) Options exercised: NIL
(d) Total number of shares arising as a result of exercise of option: NIL
(e) Options lapsed: NIL
(f) Exercise price: As per various ESOP Schemes of the Company
(g) Variation of terms of options: **During the year with the approval of Board and Shareholders, differential voting rights was removed from the ESOP policy and all ESOP holders were entitled to get equity shares ranking pari passu to existing equity shares.**
(h) Money realized by exercise of options: NIL
(i) Total number of options in force: 73,34,419
(j) Employee wise details of options granted to:

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

DIRECTORS' AND KEY MANAGERIAL PERSONNEL

Board Composition

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

During the year under review, the composition of the Board remains unchanged and the details in this regard have been provided under the title Corporate Governance.

Director(s) Disclosure:

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

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

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

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

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

Key Managerial Personnel

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

Human Resource

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

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

Financial Year	Number of employees
2021-22	292
2020-21	281

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

SUBSIDIARIES/ASSOCIATES COMPANIES

The company do not have any subsidiary or associate company as on March 31, 2022.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, had issued Secretarial Standards on Board and General meetings. The Company had complied with all the applicable provisions of the secretarial standards read with the MCA Circulars granting exemptions and relaxations in view of the COVID-19 pandemic.

ANNUAL RETURN

The copy of Annual Return for Financial Year 2021-22, which will be filed with the Registrar of Company, will be hosted on the website of the Company and can be accessed at https://www.dmihousingfinance.in/policy.php in accordance with provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013 and rules framed therein.

CORPORATE GOVERNANCE AND REGULATORY CHANGES:

Deposits

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

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India on February 17, 2021 (*"RBI MasterDirections"*) , 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 would neither hold nor accept any 'Public deposits' as defined under RBI Regulations during the period commencing from April 01, 2021 to March 31, 2022.

Scale Based Regulation Framework issued by RBI:

The stakeholders are further apprised that Reserve Bank of India ('RBI') vide its notification dated October 22, 2021, had put in place a revised Scale Based Regulation Framework ('SBR Framework') for NBFCs specifically categorized under different layers based on their size, activity, and perceived riskiness. SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc. The Company being a Non-Deposit taking NBFC with an asset size of more than ₹ 1,000 Cr, shall be categorized as NBFC-ML under the said SBR Framework and hence, certain sections of the framework shall be required to comply with all the regulatory requirements as specified under the said Framework with effect from October 01, 2022.

Statutory and Regulatory Compliance

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

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

Statutory Disclosure by Directors

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

Others

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

FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS

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

DETAILS OF FRAUD REPORTING

There were no fraud cases detected which was required to be reported during the year under review, as per the provisions of section 134(3)(ca), read with section 143(12) of the Companies Act, 2013 to the regulatory authorities. Also, there were no frauds detected during the Financial year under review as per applicable Directions/Guidelines/notifications/circulars issued by National Housing Bank/ Reserve Bank of India.

However, the Company had reported the details of the fraud cases outstanding, to the Audit Committee/Board on quarterly and annual basis. Further, the details of the same had also been submitted to National Housing Bank/Reserve Bank of India in the applicable formats at defined periodicity for submission.

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

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

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

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

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

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

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

BOARD MEETINGS

The Board met 5 (Five) times during the financial year 2021-22 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 21, 2021
2.	June 30, 2021
3.	September 02, 2021
4.	November 26, 2021
5.	March 09, 2022

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 2021-2022 is given below:

Name of the Directors	Category	Number of meetings held during the financial year 2021-22		
		Held	Entitled	Attended
Mr. Tammir Amr	Director	5	5	5
Mr. Gaurav Burman	Director	5	5	5
Mr. Shivashish Chatterjee	Director	5	5	4
Mr. Yuvraja Chanakya Singh	Director	5	5	4
Mr. Nipendar Kochhar	Director	5	5	5

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

During the Financial year under review IT Steering Committee was constituted pursuant to Para 4.1 Master Direction - Information Technology Framework for the NBFC Sector issued by Reserve Bank of India dated June 08, 2017, made applicable to Housing finance companies vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended from time to time).

Further, the composition of all the Committees as on March 31, 2022, is provided below. Further, in accordance with Standard 9 of the Secretarial Standard-1 on "Meetings of the Board of Directors", thedetails on the number and dates of meetings of the Committees held during the financial year 2021-22 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 2021-22 viz. on June 29, 2021, September 02, 2021, November 26, 2021, and March 09, 2022. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2021-22		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	3
Mr. Gaurav Burman	Member	4	4	4
Mr. Shivashish Chatterjee	Member	4	4	1
Mr. Yuvraja Chanakya Singh	Member	4	4	4
Mr. Nipendar Kochhar	Member	4	4	4

➢ Risk Management Committee (RMC)

Four Risk Management Committee Meetings were held during the financial year 2021-22 viz. on June29, 2021, September 02, 2021, November 26, 2021, and March 09, 2022. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2021-22		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	4	4	4
Mr. Gaurav Burman	Member	4	4	4
Mr. Rajul Bhargava	Member	4	4	3
Mr. Shivashish Chatterjee	Member	4	4	1
Mr. Yuvraja Chanakya Singh	Member	4	4	4

➢ Nomination and Remuneration Committee

Two Nomination and Remuneration Committee Meetings were held during the financial year 2021-22 viz. June 29, 2021 and March 09, 2022. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the Financial year 2021-22		
		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

➢ Asset Liability Committee (ALCO)

Two ALCO Committee meetings were held during the financial year 2021-22 viz. on September 02, 2021 and March 09, 2022. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2021-22		
		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	0
Mr. Sahib Pahwa	Member	2	2	2
Mr. Yuvraja Chanakya Singh	Member	2	2	2
Ms. Ruchi Bhargava	Member	2	1	1
Mr. Krishan Gopal	Member	2	1	1
Mr. Prateek Kapoor	Member	2	1	1
Mr. Saurabh Nigam	Member	2	1	1

➢ Security Allotment Committee

One Securities Allotment Committee Meetings was held during the financial year 2021-22 on May 28, 2021. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2021-22		
		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 2021-22 on June 21, 2021, and March 09, 2022. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financialyear 2021-22		
		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	1

➢ **IT Strategy Committee**

Two IT Strategy Committee meetings were held during the financial year 2021-22 viz. on June 30, 2021 and November 26, 2021. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2021-22		
		Held	Entitled	Attended
Mr. Tammir Amr	Member	2	2	2
Mr. Jatinder Bhasin	Member	2	2	2
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	2
Mr. Shivashish Chatterjee	Member	2	2	0
Mr. Yuvraja Chanakya Singh	Member	2	2	2

➢ **IT Steering Committee**

One IT Steering Committee meetings was held during the financial year 2021-22 viz. on March 09, 2022. The attendance of the members is as follows:

Name of the Members	Category	Number of meetings held during the financial year 2021-22		
		Held	Entitled	Attended
Mr. Rajul Bhargava	Member	1	1	0
Mr. Amber Gautam	Member	1	1	1
Mr. Shivashish Chatterjee	Member	1	1	0
Mr. Devendra Sharma	Member	1	1	1
Mr. Yuvraja Chanakya Singh	Member	1	1	1
Ms. Shilpi Varshney	Member	1	1	1

➢ **Loan Investment and Borrowing Committee**

No Committee Meeting was held during the financial year 2021-22.

General Meetings

➢ **Annual General Meeting**

During the year under review, the Annual General Meeting of the Company for the Financial Year ended March 31, 2021, was held on November 30, 2021.

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

During the year under review, two Extra-ordinary General Meeting(s) (EGM) of the Company wereheld during the financial year 2021-22. 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.	September 02, 2021
2.	March 09, 2022

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

For the year ended March 31, 2022, the Company was required to spend INR 4.60 Million (an actual amount of INR 4.60 Million was required to be spent out of which INR 0.04 Million was the set off amount of the excess CSR expenditure incurred during financial year 2020-21) under CSR for financial year 2021-22 as prescribed under Section 135 of the Companies Act, 2013. The Company had duly spent the required CSR expenditure of an amount of INR 4.56 Million towards various CSR projects and causes. Further, an amount of INR 0.04 was carried forward from the previous year as the company had spent excess amount during the financial year ended March 31, 2021.

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

PARTICULARS OF INVESTMENTS LOANS AND GUARANTEES

The Company being a Housing Finance Company registered with the National Housing Bank (NHB) primarily engaged in the business of providing Housing Loans exempted from provisions of Section 186 of the Companies Act,

2013("Act"). Accordingly, there are no details of particulars of loans, guarantees or investments that was required to be provided as per Section 134(3) (g) of the Act.

RELATED PARTY TRANSACTIONS

In accordance with the provisions of Section 188 of the Act and rules made thereunder, all related party transactions entered during FY 21-22 were on an arm's length basis and in ordinary course of the business.

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

Further, in terms of the applicable provisions of the Companies Act, 2013 and the Master Direction – Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 introduced on February 17, 2021

(*"RBI Directions"*), (*as amended from time to time*), the Company had put in place a Board approved Related Party Transaction Policy ("RPT Policy") for the purpose ofobtaining requisite approval and reporting transactions with related parties.

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

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

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

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

Scope of the Policy:

The provisions of this policy are applicable to:

- All employees of the company, regardless of the nature of their contract, duration of employment orposition 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 were 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 was subjected to disciplinary action.

One complaint was received under POSH during the year ended March 31, 2022 and is currently under the process of review in accordance with the provisions of POSH Policy and POSH Act.

RISK MANAGEMENT POLICY

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

Key components of an organization's risk management framework was the Risk Control Matrix ('RCM') which systematically captures key risks (operational, regulatory and financial) and mitigating internalcontrols. 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.

Further, Internal Audit had 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 basisand Low Risks on an Annual basis.

During Q4, F.Y. 2021-22, Internal Audit had 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 2022.
- Similarly, a total of 228 Controls (against 106 risks) were reviewed for DMI HFC.
- Deficiencies observed in RCM's reviewed, were 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 and controls.
- Demonstrates organization's ability to manage / mitigate risk in a comprehensive and timely manner. Strengthen Internal control/system reliance to ensure controls were adequate against all the risks involved.
- Fostering formalized, uniform, well controlled and efficient operating processes within the organization.

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

Key Activities - Strengthening the Risk Control Matrices

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

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

Testing of Implemented Controls

Quarterly test of key controls captured in RCMs based on risk grading / prioritization and its alignment to IA testing (as per quarterly scope of work) for integrated coverage.

Reporting to Risk Committee and Audit Committee

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company had an Internal Control System in place, commensurate with the size, scale and complexity of its operations. The Company had appointed M/s. Sanjiv Syal & Associates as the Internal Auditor of the Company for the Financial year 2021-22. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee had the responsibility for establishing the audit objectives and determines the nature, timing and extent of audit procedures as well as the locations where the work needs to be carried out.

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

Broadly the objectives of the project assigned are: -

- 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 determine the integrity, security, and controls in the information system were at acceptable standards;
- Recommend improvements in processes and procedures.
- Surface significant observations and recommendations for process improvement and financial leakages in a concise report for discussion with senior management.

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

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134 of the Companies Act, 2013 read withCompanies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption arenot 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, 2022
Subscription and License Fee	0.39	0.42
Interest on bonds for Non-resident	10.84	-

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 had enabled the Company to achieve new milestones on a continual basis.

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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

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

SECRETARIAL AUDITORS AND REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, the Board of Directors of the Company has appointed M/s VLA & Associates, Company Secretaries as the Secretarial Auditor of the Company to conduct the Secretarial Audit. for the financial year ended March 31, 2022. The Secretarial

Audit Report given by the secretarial auditorin requisite form MR-3 is annexed to this Report as **Annexure-D**.

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

MAINTENANCE OF COST RECORDS

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

STATUTORY AUDITORS

The Company had appointed Ms. Agiwal and Associates, Firm Regd. No. 000181N as the new statutory auditors at the 10th Annual General Meeting held on November 30, 2021, to hold office for 3 years commencing from the financial year i.e. 2021-22 till the financial year 2023-24 as per the provisions of the Companies Act, 2013 and RBI Circular pertaining to appointment of Statutory Auditors. The firm carries extensive experience in the financial services sector and is one of the leading statutory audit firms in India.

The remuneration payable to the Statutory Auditors shall be as determined by the Board of Directors of the Company. The Audit Report by Statutory Auditors for the financial year ending March 31, 2022, is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer. Further, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018, by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

AUDITOR'S OBSERVATION

The Directors had examined the Auditors' Report on accounts for the period ended March 31, 2022.The Auditors' Report along with the relevant disclosures was self-explanatory and has no qualification or adverse remarks.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

ACKNOWLEDGEMENTS

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

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the

commitment displayed by all Executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

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

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179

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

Place: New Delhi
Date: September 09, 2022

Mr. Nipendar Kochhar
Director
DIN: 02201954

Address: 55, Sainik Farms, New Delhi-110062

Place: New Delhi
Date: September 09, 2022

Annexure-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
(For Financial Year commencing from April 01, 2021 to March 31, 2022)

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

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

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

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

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

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

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

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

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

S. No	Financial Year	Amount available for set-off from preceding Financial years (inRs)	required tobe setoff for the financial year,if any (in Rs)
1.	2021-2022	INR 38,868/-	INR 38,868/-

6. **Average net profit of the company as per section 135(5):** INR 22,97,81,200/-

7. (a) Two percent of average net profit of the company as per section 135(5): INR 45,95,624/-
(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: INR 38,868/-
(d) Total CSR obligation for the financial year (7a+7b-7c): INR 45,56,756/-

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

Total Amount Spent forthe Financial Year (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specifiedunder Schedule VII as per second proviso to section 135(5)		
	Amount	Date Transfer Of	Name Fund Of	Amount	Date of Transfer
INR 45,95,624/-*	Nil	Nil	Nil	Nil	Nil

**Total spent is INR 45,95,624/-. Out of this INR 45,56,756/- was spent during the year and INR 38,868/- was amount set off from the excess spent in financial year 2020-21.*

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

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

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

(1) S.no.	(2) Name of The Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local Are (Yes/No)	(5) Location of the Project (State/Districtt)	(6) Amount Spent for the project (in Rs.).	(7) Mode of Implementation -Direct (Yes/No)	(8) Mode of Implementation -Through Implementing Agency (Name and CSR RegNo.)
1.	**Foundation promotion of Sports and Games**	Olympic Sports	Yes	Multiple districts, PAN India	15,00,000	Yes	Foundation for Promotion of Sports and Games- Reg. No.- CSR00001100

2.	**Param Shakti Peeth**	Promoting education, including special education and employment enhancing vocation skills especially among children	No	Vrindavan, Mathura Road, Uttar Pradesh of Sapera	20,00,000	Yes	Param Shakti Peeth -Reg No-CSR00000072
3.	**Samarpan foundation**	Home, Education, Nutrition	Yes	Delhi, India	10,00,000	Yes	Samarpan Foundation Reg. No. – CSR00000382
4.	**Jyoti Development Trust**	Education, Nutrition	No	Midnapore, West Bengal	56,756	Yes	Jyoti Development Trust-Reg. No.-CSR00012807

(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): Rs. 45,56,756/-*
**Total spent is INR 45,95,624/-. Out of this INR 45,56,756/- was spent during the year and INR 38,868/- was amount set off from the excess spent in financial year 2020-21.*
(g) Excess amount for set off, if any: **Nil**

S. No	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	INR 45,95,624/-
(ii)	Total amount spent for the Financial Year	INR 45,95,624/-*
(iii	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of theprevious financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA-

**Total spent is INR 45,95,624/-. Out of this INR 45,56,756/- was spent during the year and INR 38,868/- was amount set off from the excess spent in financial year 2020-21.*

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

S.no.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account undersection 135 (6) (in Rs.)**	**Amount spent in the reporting Financial Year (inRs.).**	**Amount transferred to any fund specified underSchedule VII as per section 135(6), if any.**			**Amount remaining to bespent in succeeding financial years. (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 financialyear(s):**

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

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

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered,their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of thecapital asset).

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

Further, in terms of the amended CSR Rules, the Director of the Company has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the Board and Committee for FY 2022.

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

DMI Housing Finance Pvt. Ltd. New Delhi

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179

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

Place: New Delhi
Date: September 09, 2022

DMI Housing Finance Pvt. Ltd. New Delhi

Mr. Nipendar Kochhar
Director
DIN: 02201954

Address: 55, Sainik Farms, New Delhi-110062

Place: New Delhi
Date: September 09, 2022

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 / arrange ments/transactionons	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board or Committee	(g) Amount paid as advances,if any:
Ms. Bina Singh	Issuance of Convertible Share Warrants	As per agreed terms provided in the Offer Letter	Allotment of Convertible Share Warrants on private placement basis. Amount – Rs. 27,27,097.50/-	-	September 02, 2021	NA
Ms. Jayati Chatterjee	Issuance of Convertible Share Warrants	As per agreed terms provided in the Offer Letter	Allotment of Convertible Share Warrants on private placement basis. Amount – Rs. 27,27,097.50/-	-	September 02, 2021	NA
Mr. Nipendar Kochhar	Issuance of Convertible Share Warrants	As per agreed terms provided in the Offer Letter	Allotment of Convertible Share Warrants on private placement basis. Amount – Rs. 27,27,097.50/-	-	September 02, 2021	NA

Quickwork Technologies Private Limited	Availing the Chat Bot services	As per terms of contract	Company shall pay to Quickwork an amount of INR 9,21,870.00/- specified for rendering of chat bot services.	-	May 19, 2022	NA

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

Mr. Yuvraja Chanakya Singh
Director
DIN: 02601179

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

Place: New Delhi
Date: September 09, 2022

Mr. Nipendar Kochhar
Director
DIN: 02201954

Address: 55, Sainik Farms, New Delhi-110062

Place: New Delhi
Date: September 09, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;-**Applicable during the audit period under review.**

VLA & ASSOCIATES C.P. No. 7022 NEW DELHI COMPANY SECRETARIES

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not applicable during the audit period under review;- **Not applicable during the audit period under review;**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not applicable during the audit period under review;**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI); **Applicable during the audit period under review;**

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

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

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

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

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

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

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

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

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

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

vi. Other laws as applicable specifically to the Company:

VLA & ASSOCIATES C.P. No. 7622 NEW DELHI COMPANY SECRETARIES

a. Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time;
b. National Housing Bank Act, 1987;
c. Non- Banking financial company- Housing Finance Company (Reserve Bank) Directions, 2021 ; and
d. National Housing Bank/Reserve Bank of India circulars, notifications & guidelines as applicable to the Company

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

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

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

I further report that:

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

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

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

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

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

1. Memorandum of Association of the Company was amended at Annual General Meeting held on 30th November, 2021 by passing special resolution for the same.

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

VLA & ASSOCIATES
C.P. No. 7622
NEW DELHI
COMPANY SECRETARIES

A) Details of Allotment of equity shares

S. No.	Date of allotment	Type of security	No of security allotted	Face value (In Rs.)	Premium (In Rs.)
1.	05th January, 2022	Equity shares	93,399	10	19.30

B) Details of Allotment of Convertible share warrants

S. No.	Date of allotment	Type of security	No of security allotted	Upfront /Premium price	Exercise/Conversion Price (In Rs.)
1.	28th May, 2021	Share Warrants	2,35,000	0.10	28.30
2.	23rd September, 2021	Share Warrants	38,41,823	0.10	29.30
3.	26th October, 2021	Share Warrants	4,03,576	11.1	29.30
4.	5th January, 2022	Share Warrants	4,00,000	12.12	31.68

For VLA & Associates
(Company Secretaries)

VLA & ASSOCIATES C.P. No. 7622 NEW DELHI COMPANY SECRETARIES

Vishal Aggarwal

Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622
Peer Review Cert. No.: S2008DE102700
UDIN: F007241D000948027

Place: New Delhi

Date: 09.09.2022

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

Annexure-1

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

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

Management's Responsibility:-

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

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

Auditor's Responsibility:-

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

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

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

Disclaimer:-

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

VLA & ASSOCIATES COMPANY SECRETARIES C.P. No. 7622 NEW DELHI

Vishal L Aggarwal

Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622
Peer Review Cert. No.: S2008DE102700
UDIN: F007241D000948027

Place: New Delhi

Date: 09.09.2022

Agiwal & Associates
CHARTERED ACCOUNTANTS
Head Office : D-6/9, Upper Ground Floor, Rana Pratap Bagh, Delhi-110007 (INDIA)
Phone : 011-41011281, 43512990 E-mail : caagiwal68@gmail.com, office@agiwalassociates.in

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 2022, 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, 2022, 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 No. 39 of the financial statements which describes the impact of economic and social consequences of the CoVID-19 pandemic on the Company's business and financial metrics, which continues to be dependent on uncertain future developments. 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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- 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

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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.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on June 30, 2021.

Report on Other Legal and Regulatory Requirements

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

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

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

   (b) In our opinion, proper 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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;

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

(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, 2022;

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

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

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

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

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

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note xx to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

CA P.C. Agiwal
Partner
Membership Number: 080475

UDIN: [22080475AJFOSG8490]
Delhi
May 19, 2022

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

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

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

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

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

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

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

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

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

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

(b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Corporation.

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

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

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

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New Delhi
FRN
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Chartered Accountants

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 5(a) to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Corporation.

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

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

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

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

(vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, as applicable to the Corporation, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

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

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

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

(ix)(c) Term loans were applied for the purpose for which the loans were obtained.

(ix)(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

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

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

AGIWAL & ASSOCIATES ★ New Delhi FRN 000181N ★ Chartered Accountants (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.

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

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

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

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

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

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

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

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

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) The Company is a Housing Finance Company registered with the National Housing Bank and is not required to obtain a Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

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

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

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

(xix) On the basis of the financial ratios disclosed in note 54(x) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not

AGIWAL & ASSOCIATES ★ Chartered Accountants ★ New Delhi FRN 000181N an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34 to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 34 to the financial statements.

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

CA P. C. Agiwal
Partner
Membership Number: 080475

AGIWAL & ASSOCIATES
New Delhi
FRN
000181N
Chartered Accountants

UDIN: 22080475AJFOSG8490
Delhi
May 19, 2022

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, 2022 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

Agiwal & Associates
New Delhi
FRN 000181N
Chartered Accountants

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

CA P. C. Agiwal
Partner
Membership Number: 080475

UDIN: 22080475AJFOSG8490
Delhi
May 19, 2022

DMI Housing Finance Private Limited
Balance Sheet as at March 31, 2022
(All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	4	418.68	285.43
Bank balances other than cash and cash equivalents	4 (a)	80.68	77.58
Loans	5	8,525.32	7,575.97
Investments	6	2,438.32	3,641.40
Other financial assets	7	24.34	34.87
Non- financial assets			
Current tax assets (net)		-	17.63
Deferred tax assets (net)	16	15.50	-
Property, plant and equipment	8(a)	36.78	41.24
Intangible assets under development	8(b)	1.06	0.65
Other Intangible assets	8(c)	16.19	16.84
Other non- financial assets	9	34.62	25.35
Assets held for sale	10	2.11	4.39
	TOTAL	**11,593.60**	**11,721.35**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	11		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		1.63	0.94
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.57	2.20
(II) Other Payables			
(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	3,489.29	3,489.22
Borrowings (other than Debt Securities)	13	1,538.93	2,308.32
Other financial liabilities	14	419.57	16.32
Non financial liabilities			
Provisions	15	31.46	23.73
Deferred tax liabilities (net)	16	-	2.26
Other Non-financial liabilities	17	28.65	23.48
Current tax liabilities (net)		5.13	-
Equity			
Equity share capital	18	4,859.98	4,859.05
Other equity	19	1,214.39	995.83
	TOTAL	**11,593.60**	**11,721.35**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475

Place: New Delhi
Date: 19th May 2022

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 19th May 2022

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place:New Delhi
Date: 19th May 2022

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: Gurugram
Date: 19th May 2022

DMI Housing Finance Pvt. Ltd. New Delhi

DMI Housing Finance Private Limited
Profit and Loss for the year ended March 31, 2022
(All amount in Rs. in millions, except for share data unless stated otherwise)

Particulars	Notes	For the year March 31, 2022	For the year March 31, 2021
Revenue from operations			
Interest Income	20	1,049.40	1,000.64
Fees and commission Income	21	21.06	20.36
Net gain on fair value changes	22	113.02	101.27
Total revenue from operations		**1,183.48**	**1,122.27**
Total Income		**1,183.48**	**1,122.27**
Expenses			
Finance Costs	23	429.44	403.58
Impairment on financial instruments	24	33.26	(9.23)
Employee Benefits Expense	25	313.26	250.08
Depreciation, amortization and impairment	8	23.69	24.19
Other expenses	26	126.96	101.34
Total Expenses		**926.61**	**769.96**
Profit before tax		**256.87**	**352.31**
Tax Expense:			
(1) Current Tax	16	82.78	76.82
(2) Deferred Tax		(18.10)	12.27
Profit for the year		**192.19**	**263.22**
Other Comprehensive Income			
a) Items that will not be reclassified to profit or loss			
Actuarial gain (loss) on gratuity		1.36	1.21
Income Tax Effect		(0.34)	(0.31)
Other Comprehensive Income , net of income tax		1.02	0.90
Total Comprehensive Income for the year		**193.21**	**264.12**
Earnings per equity share	27		
Basic (Rs.)		0.36	0.49
Diluted (Rs.)		0.36	0.49
Nominal value per share (Rs.)		10.00	10.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475

Place: New Delhi
Date: 19th May 2022

For and on behalf of the Board of Directors of
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(Director)
DIN: 02623460
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DIN: 02601179
Place: New Delhi
Date: 19th May 2022

DMI Housing Finance Pvt. Ltd. New Delhi

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: Gurugram
Date: 19th May 2022

DMI Housing Finance Private Limited
Cash flow statement for the year ended March 31, 2022
(All amount in Rs. in millions, except for share data unless stated otherwise)

	Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
A	**Cash flow from Operating Activities:**			
	Net profit before tax as per statement of profit and loss		**256.87**	**352.31**
	Adjustments for			
	Depreciation and amortization expense		23.69	24.19
	Net gain on sale of Mutual funds		(113.02)	(101.27)
	Provision for impairment loss allowance		33.26	(9.23)
	Provision for employee benefits		6.68	7.13
	Share based payments		11.95	4.14
	Interest income on Fixed Deposit		(2.53)	(2.58)
	Operating profit before working capital changes		**216.90**	**274.69**
	Changes in working capital			
	Decrease in financial and other assets		36.99	297.15
	Increase/(Decrease) in financial and other liabilities		406.31	(227.37)
	Increase in non financial assets		(6.39)	(20.31)
	Increase/ (Decrease) in non financial liabilities		11.94	(28.62)
	Total of changes in working capital		**665.75**	**295.54**
	Interest income on loan		(1,007.47)	(919.09)
	Interest expense on borrowing		420.84	401.08
	Direct taxes paid		(64.68)	(89.09)
	Net cash flow from / (used in) Operating Activities (A)		**14.44**	**(311.56)**
B	**Cash flow from Investing Activities:**			
	Inflow (outflow) on account of :			
	Sale of investment in mutual fund		3,790.00	-
	Purchase of investment in mutual fund		(2,524.17)	(1,089.95)
	Sale/ (Purchase) of Property, plant and equipment (including capital work-in-progress)/ intangible assets	8	(19.64)	6.45
	Deposit in Term Deposit		-	(75.00)
	Sale of investment in NCD		50.28	859.97
	Net cash flow from / (used in) Investing Activities (B)		**1,296.47**	**(298.53)**
C	**Cash flow from Financing Activities:**			
	Issue of equity shares (including share premium)		12.50	70.12
	Proceeds from borrowings		-	2,021.92
	Repayment of borrowings		(769.33)	(1,526.35)
	Interest paid on borrowing		(410.29)	(389.64)
	Payment of lease liability		(10.55)	(11.44)
	Net Cash flow from / (used in) Financing Activities (C)		**(1,177.67)**	**164.59**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		**133.24**	**(445.48)**
	Cash and cash equivalents as at the beginning of the year		285.44	730.91
	Cash and cash equivalents at the end of the year	4	418.68	285.43
	Components of cash and cash equivalents			
	Cash in hand		0.01	0.04
	Balance with banks			
	In current accounts		418.67	285.39
	Total cash and cash equivalents	4	**418.68**	**285.43**
	Summary of significant accounting policies	3		

The accompanying notes are integral part of financial statements.
For disclosure of financing transactions that do not require the use of cash and cash equivalents, refer note 13.1
Note:-
1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped/ reclassified wherever applicable.

As per our report of even date

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 19th May 2022

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: New Delhi
Date: 19th May 2022

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: Gurugram
Date: 19th May 2022

DMI Housing Finance Pvt. Ltd. New Delhi

Place: New Delhi
Date: 19th May 2022

DMI Housing Finance Private Limited
Statement of changes in equity for the year ended March 31, 2022
(All amount in Rs. in millions, except for share data unless stated otherwise)

a. Equity Share Capital

Particulars	No. of Shares	Amount
As at March 31 2020	53,21,60,147	**4,829.41**
Issue of Equity share capital during the year ended March 31 2021(refer note 18)	18,64,618	**29.64**
As at March 31 2021	**53,40,24,765**	**4,859.05**
Issue of Equity share capital during the year ended March 31 2022(refer note 18)	93,399	0.93
As at March 31 2022	**53,41,18,164**	**4,859.98**

b. Other Equity

Particulars	Reserve & Surplus					Total
	Securities premium Account	Warrant premium	Reserve U/s 29C of the NHB Act 1987	Share Based Payments Reserve	Retained Earnings	
At 31 March 2020	**442.99**	-	**61.54**	**15.40**	164.86	**684.79**
Profit for the year	-	-	-	-	263.22	263.22
Other Comprehensive Income	-	-	-	-	0.90	0.90
Total comprehensive income	-	-	-	-	**264.12**	**264.12**
Add: Issue of Equity Shares	35.48	-				35.48
Add: during the year on Account of Employee Share Options	-	-	-	6.44	-	6.44
Add : Issue of Share Warrants	-	5.00	-	-	-	5.00
Transferred to Reserve u/s 29C of the NHB Act, 1987	-	-	52.64	-	(52.64)	-
At 31 March 2021	**478.47**	**5.00**	**114.18**	**21.84**	**376.34**	**995.83**
Profit for the year	-	-	-	-	192.19	**192.19**
Other Comprehensive Income	-	-	-	-	1.02	**1.02**
Total comprehensive income	-	-	-	-	**193.21**	**193.21**
Add: Issue of Equity Shares	1.80	-	-	-	-	**1.80**
Add: during the year on Account of Employee Share Options	-	-	-	13.79	-	**13.79**
Add : Issue of Share Warrants	-	9.76	-	-	-	**9.76**
Transferred to Reserve u/s 29C of the NHB Act, 1987	-	-	38.43	-	-38.43	**-**
At 31 March 2022	**480.27**	**14.76**	**152.61**	**35.63**	**531.12**	**1,214.39**

The accompanying notes are integral part of financial statements.

As per our report of even date

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

CA Prakash Chand Agiwal
Partner
Membership No. 080475

Place: New Delhi
Date: 19th May 2022

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 19th May 2022

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: New Delhi
Date: 19th May 2022

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: Gurugram
Date: 19th May 2022

DMI Housing Finance Pvt. Ltd. New Delhi

1. Corporate Information

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

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

2. Basis of preparation

a. Statement of compliance in preparation of financial statements

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

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

b. Presentation of financial statements

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

3. Significant accounting policies

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

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

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

i) Impairment loss on financial assets

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

ii) Business Model Assumption

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

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

iii) Defined employee benefit assets and liabilities

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

iv) Share Based Payments

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

v) Fair value measurement

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

(b) Cash and cash equivalents

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

(c) Recognition of income and expense

i) Interest income

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

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

AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

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.

DMI Housing Finance Pvt. Ltd. New Delhi

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.

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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. Provision s (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.

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(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.

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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**

iii) **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 theCompany. 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.

iv) **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.

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 ofequity 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.

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Debt instrument/Loan portfolio at amortised costs

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

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

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

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

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

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

Debt instrument at FVOCI

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

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

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

Equity instruments and Mutual funds

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

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

Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Reclassification of financial assets and liabilities

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

De-recognition of financial asset and financial liability

Financial Assets

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

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

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

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- 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.

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 up to 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 requirementto estimate EAD.

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

Forward looking information

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

Definition of default and cure

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

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

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

Collateral repossessed

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

Write-offs

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

For loan commitments, the ECL is recognised within Provisions.

Non-financial assets

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

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

(n) Fair value measurement

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

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

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

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

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

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

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

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

- Level 3 financial instruments − include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

(o) Dividend Paid

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

(p) Functional and presentation currency

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

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 financi al statements, are recognized as income or as expenses in the year in which they arise.

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

4 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash in hand	0.01	0.04
Balance with banks		
In Current accounts	418.67	285.39
	418.68	**285.43**

4 (a) Bank balances other than cash and cash equivalents

Deposit with original maturity of more than 12 months.	**80.68**	**77.58**
	80.68	**77.58**

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

5 Loans

At amortised cost	As at March 31, 2022	As at March 31, 2021
Term Loan	8,595.38	7,615.47
Total (A) Gross	**8,595.38**	**7,615.47**
Less: Impairment loss allowance	70.06	39.50
Total (A) Net	**8,525.32**	**7,575.97**
Secured by tangible assets and intangible assets	8,595.38	7,615.47
Covered by Bank/Government Guarantees		
Unsecured		
Total (B) Gross	**8,595.38**	**7,615.47**
Less: Impairment loss allowance	70.06	39.50
Total (B) Net	**8,525.32**	**7,575.97**
Loans in India		
Public Sector		-
Others	8,595.38	7,615.47
Total (C) Gross	**8,595.38**	**7,615.47**
Less: Impairment loss allowance	70.06	39.50
Total (C-I) Net	**8,525.32**	**7,575.97**
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C-II) Net	-	-
Total (C-I) and (C-II)	**8,525.32**	**7,575.97**

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. 808.36 Mn as on March 31, 2022 (2021- Rs. 689.12 Mn)

iii) The Company has sanctioned certain loans to staff amounting to Rs.11.80 Mn as on March 31,2022 (2021- Rs. 5.46 Mn)

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(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, 2022							
	Individual Housing & Non Housing				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	8,238.96	273.66	82.62	8,595.26	-	-	0.14	**0.14**
Less: Impairment Loss Allowance *	35.83	4.72	29.31	69.86	-	-	0.14	**0.14**
Net Carrying Amount	**8,203.13**	**268.94**	**53.31**	**8,525.40**	**-**	**-**	**-**	**-**

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

Particulars	March 31, 2021							
	Individual Housing & Non Housing				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

Summary of Credit Substitutes by stage distribution is as follows:

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

Particulars	March 31, 2021			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount	74.96	-	0.54	75.50
Less: Impairment Loss Allowance	1.05	-	0.54	1.59
Net Carrying Amount	**73.91**	**-**	**-**	**73.91**

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

Particulars	March 31, 2022							
	Individual Housing & Non Housing				Corporate			
	Stage 1*	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**7,316.34**	**148.43**	**38.21**	**7,502.98**	**112.49**	**-**	**-**	**112.49**
Disbursements	3,022.49	-	-	3,022.49	-	-	-	-
Repayments	(1,904.29)	(21.19)	(4.75)	(1,930.23)	(112.35)	-	-	(112.35)
Transfers from Stage 1	(215.59)	196.25	19.34	-	(0.14)	-	0.14	-
Transfers from Stage 2	18.31	(53.36)	35.05	-	-	-	-	-
Transfers from Stage 3	1.70	3.53	(5.23)	-	-	-	-	-
Gross carrying amount closing balance	**8,238.96**	**273.66**	**82.62**	**8,595.24**	**-**	**-**	**0.14**	**0.14**

Particulars	March 31, 2021							
	Individual Housing & Non Housing				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**

* Includes overdue from 1 to 30 days amounting to Rs. 109.89 Mn and Rs.113.75 Mn as on March 31, 2022 and March 31, 2021 respectively.

** Includes overdue from 1 to 30 days amounting to Rs. 0.00 Mn and Rs.0.14 Mn as on March 31, 2022 and March 31, 2021 respectively.

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

Particulars	March 31, 2022			
	Credit Substitutes			
	Stage 1*	Stage 2	Stage 3	Total
Gross carrying amount opening balance	74.96	-	0.54	**75.50**
New assets originated or purchased		-	-	-
Assets derecognized or repaid(excluding write offs)	(51.19)		-	**(51.19)**
Repayments (net)	(51.19)	-	-	**(51.19)**
Transfers from Stage 1		-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	**23.77**	-	**0.54**	**24.31**
Particulars	**March 31, 2021**			
	Credit Substitutes			
	Stage 1*	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	943.79	-	0.54	**944.33**
New assets originated or purchased		-	-	-
Assets derecognized or repaid(excluding write offs)	(868.82)		-	**(868.82)**
Repayments (net)	(868.83)	-	-	**(868.83)**
Transfers from Stage 1		-	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount closing balance	**74.96**	-	**0.54**	**75.50**

* Includes overdue from 1 to 30 days amounting to Rs. 0.00 Mn and Rs.0.00 Mn as on March 31, 2022 and March 31, 2021 respectively.

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

Particulars	March 31, 2022							
	Individual Housing & Non Housing				Corporate			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**23.89**	**3.42**	**12.98**	**40.30**	**0.28**	-	-	**0.28**
				-				
ECL on assets added/ provision created	16.94	2.65	19.22	**38.81**	-	-	0.14	0.14
Assets derecognized or repaid(including write offs/ Write back)	(5.24)	(1.81)	(2.19)	**(9.24)**	(0.28)	-	-	(0.28)
Transfers from Stage 1	(0.68)	0.62	0.06	-	(0.00)	-	0.00	-
Transfers from Stage 2	0.41	(1.22)	0.81	-	-	-	-	-
Transfers from Stage 3	0.51	1.06	(1.57)	-	-	-	-	-
ECL allowance closing balance	**35.83**	**4.72**	**29.31**	**69.86**	**-0.00**	-	**0.14**	**0.14**

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

Particulars	March 31, 2021							
	Individual Housing & Non Housing				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 derecognized 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-settled by classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

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

Particulars	March 31, 2022			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	1.05	-	0.54	**1.59**
ECL on assets added/ provision created	-	-	-	**-**
Assets derecognized or repaid(including write offs/ Write back)	(0.92)	-	-	**(0.92)**
ECL allowance closing balance	**0.13**	**-**	**0.54**	**0.67**

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

Particulars	March 31, 2021			
	Credit Substitutes			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	9.90	-	0.54	**10.44**
ECL on assets added/ provision created	-	-	-	**-**
Assets derecognized or repaid(including write offs/ Write back)	(8.85)	-	-	**(8.85)**
Transfers from Stage 1	-	-	-	**-**
Transfers from Stage 2	-	-	-	**-**
Transfers from Stage 3	-	-	-	**-**
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

5(b) Impairment assessment

During the year company has approved restructuring to the eligible borrowers under resolution framework 2.0 vide circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 with the objective of alleviating the potential stress to individual borrowers and small businesses. Outstanding of these borrowers is Rs. 187.36 Mn as on 31st March 2022. Further the company also had provided resolution framework 1.0 to the eligible borrowers vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020.Outstanding of these borrwers is Rs. 48.41 Mn.

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, 2022. There was no change in the Company's collateral policy during the year.

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DMI Housing Finance Pvt. Ltd. New Delhi

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

6 Investments

	Amortised Cost	At Fair Value Through profit or loss	Total
As at March 31, 2022			
Mutual funds	-	2,414.68	**2,414.68**
Credit substitutes	24.32	-	**24.32**
Total (A)	24.32	2,414.68	**2,439.00**
Investments outside India	-	-	**-**
Investments in India	24.32	2,414.68	**2,439.00**
Total (B)	24.32	2,414.68	**2,439.00**
Total (A) to tally with (B)	24.32	2,414.68	**2,439.00**
Less: Allowance for Impairment loss (C)*	0.68		**0.68**
Total Net D = (A) -(C)	**23.64**	**2,414.68**	**2,438.32**
As at March 31, 2021			
Mutual funds	-	3,567.48	**3,567.48**
Credit substitutes	75.51	-	**75.51**
Total (A)	75.51	3,567.48	**3,642.99**
Investments outside India	-	-	**-**
Investments in India	75.51	3,567.48	**3,642.99**
Total (B)	75.51	3,567.48	**3,642.99**
Total (A) to tally with (B)	75.51	3,567.48	**3,642.99**
Less: Allowance for Impairment loss (C)*	1.59		**1.59**
Total Net D = (A) -(C)	**73.92**	**3,567.48**	**3,641.40**

* 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, 2022	As at March 31, 2021
Unsecured, considered good		
Security Deposit	2.78	2.80
Others	21.56	32.07
Total	**24.34**	**34.87**

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DMI Housing Finance Pvt. Ltd. New Delhi

(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	Motor vehicles	Office equipment	Land	Total
Cost							
At March 31, 2021	**65.91**	**16.93**	**2.63**	**-**	**6.88**	**-**	**92.35**
Purchase	10.38	5.33	0.01	-	0.16	-	15.88
Disposals	(0.31)	-	(0.09)	-	(0.33)	-	(0.72)
At March 31, 2022	**75.98**	**22.26**	**2.55**	**-**	**6.71**	**-**	**107.51**
Depreciation							
At March 31, 2021	**29.95**	**13.99**	**1.37**	**-**	**5.80**	**-**	**51.11**
Charge for the year	15.94	3.04	0.32	-	0.45	-	19.74
Disposals	0.26	(0.05)	(0.05)	-	(0.26)	-	(0.11)
At March 31, 2022	**46.15**	**16.97**	**1.64**	**-**	**5.97**	**-**	**70.73**
Net Block							
At March 31, 2021	**35.96**	**2.94**	**1.26**	**-**	**1.08**	**-**	**41.24**
At March 31, 2022	**29.83**	**5.28**	**0.91**	**-**	**0.74**	**-**	**36.78**

8(b) Intangible assets under development:

During the year the company has spent Rs.1.06 Mn(2021- 0.65 Mn) on intangible assets under development.

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

8(c) Other Intangible assets

Intangible assets	Software	Total
At March 31, 2021	**20.88**	**20.88**
Purchase	3.30	**3.30**
Disposals	-	-
At March 31, 2022	**24.18**	**24.19**
Amortization		
At March 31, 2021	**4.04**	**4.04**
Charge for the year	3.96	3.96
At March 31, 2022	**8.00**	**8.00**
Net block		
At March 31, 2021	**16.84**	**16.84**
At March 31, 2022	**16.18**	**16.19**

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DMI Housing Finance Pvt. Ltd. New Delhi

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

9 Other non- financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	4.94	4.83
Cenvat credit available	28.20	20.09
Other Recoverable	0.65	0.43
Advance to Vendors	0.83	-
Total	**34.62**	**25.35**

10 Assets Held For Sale

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for sale (refer note 10(a))	2.81	5.06
Less : Impairment loss allowance	(0.70)	(0.67)
Total	**2.11**	**4.39**

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, 2022	As at March 31, 2021
Properties	2.11	4.39
Total assets obtained by taking possession of collateral	**2.11**	**4.39**

11 Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises*	1.63	0.94
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	4.57	2.20
Total	**6.20**	**3.14**

Trade Payable ageing schedule as on March 31, 2022

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

Trade Payable ageing schedule as on March 31, 2021

Particular	Outstanding for following periods from due date of payment #			
	Less than 1 year	1 -2 years	2-3 years	More than 3 years
(i) MSME	0.94	-	-	-
(ii) Others	2.20	-	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-
	3.14	-	-	-

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***Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises DevelopmentAct, 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, 2022	As at March 31, 2021
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal amount	1.63	0.94
- 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	-	-

12 Debt Securities

At amortised cost	As at March 31, 2022	As at March 31, 2021
Secured *		
Non-convertible debentures		
2953 (March 31 2021 : 2953),8.50 % rated, unlisted, secured,reedemable, non-convertible debentures of face value of Rs. 10,00,000 each, maturing at 28 February, 2024.	2,973.78	2,973.72
513 (March 31 2021 : 513),8.50 % rated, unlisted, secured,reedemable, non-convertible debentures of face value of Rs. 10,00,000 each, maturing at 10 December, 2023.	515.51	515.50
Total gross (A)	**3,489.29**	**3,489.22**
Debt securities in India	-	-
Debt securities outside India	3,489.29	3,489.22
Total (B)	**3,489.29**	**3,489.22**

* 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, 2022	As at March 31, 2021
Secured*		
Term Loans From Banks (Refer note 13.2)	1,519.02	2,040.94
Cash Credit (Refer note 13.2)**	-	250.10
Others		
Lease Liability	19.91	17.28
Total gross (A)	**1,538.93**	**2,308.32**
Borrowings in India	**1,538.93**	**2,308.32**
Borrowings outside India	-	-
Total (B)	**1,538.93**	**2,308.32**

The quarterly statements filed with banks are in agreement with books of accounts.

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

** The company had a sanction of cash credit for INR 250 Mn. The company had repaid the entire amount during the year.

13.1 Changes in liabilities arising from financing activities

Pariculars	As at March 31, 2021	Cash flows	Other	As at March 31, 2022
Debt securities	3,489.22	-	0.07	3,489.29
Borrowings	2,308.32	(524.26)	(245.13)	1,538.93
Total	**5,797.54**	**(524.26)**	**(245.06)**	**5,028.22**

Pariculars	As at March 31, 2020	Cash flows	Other	As at 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
Total	**5,301.98**	**477.84**	**17.72**	**5,797.54**

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DMI Housing Finance Pvt. Ltd. New Delhi

DMI Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2022
(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, 2022

		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		
Original maturity of loan	Interest (%)	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	Total Amt.
Monthy repayment schedule														
Development Credit Bank	8.92%	12	15.38	12	15.38	5	5.08	-	-	-	-	-	-	**35.84**
Quarterly repayment schedule														
State Bank of India	7.50%	4	31.14	3	22.39	-	-	-	-	-	-	-	-	**53.53**
State Bank of India	7.50%	4	74.07	4	74.07	4	74.07	4	74.07	4	74.07	4	74.07	**444.44**
South indian Bank	8.28%	4	18.30	4	15.13	-	-	-	-	-	-	-	-	**33.43**
NHB	6.30%	4	160.00	4	160.00	4	127.79	-	-	-	-	-	-	**447.79**
NHB	6.40%	4	77.20	4	77.20	4	77.20	4	77.20	4	77.20	14	126.79	**512.79**
		32	**376.09**	**31**	**364.17**	**17**	**284.14**	**8**	**151.27**	**8**	**151.27**	**18**	**200.86**	**1,527.82**
Lease liability														**19.91**
EIR Adjustment														(8.80)
TOTAL														**1,538.93**

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

		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		
Original maturity of loan	Interest (%)	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	Total Amt.
Monthy repayment schedule														
Development Credit Bank	9.14%	12	15.38	12	15.38	12	15.38	4	5.03	-	-	-	-	**51.17**
Quarterly repayment schedule														
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**
One Time Payment Schedule														
NHB	5.25%	1	88.10	-	-	-	-	-	-	-	-	-	-	**88.10**
Cash Credit	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**
Lease liability														**17.28**
EIR Adjustment														(10.27)
TOTAL														**2,308.32**

13.4 Terms of repayment of Debt Securities Outstanding as on March 31, 2022

		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		
Original maturity of NCD	Interest (%)	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	Total Amt.
DMI Income Fund PTE Ltd	8.50%		23.71	-	-	-	3,466.00	-		-	-	-	-	**3,489.71**
EIR Adjustment														(0.42)
Total														**3,489.29**

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

		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		
Original maturity of NCD	Interest (%)	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	No. of installments	Amt.	Total Amt.
DMI Income Fund PTE Ltd	8.50%		23.76	-	-	-	3,466.00	-		-	-	-	-	**3,489.76**
EIR Adjustment														(0.54)
Total														**3,489.22**

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New Delhi

(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, 2022	As at March 31, 2021
Employee payables	0.20	0.39
Other financial liabities	419.37	15.93
	419.57	**16.32**

15 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Leave availment	17.22	13.48
Gratuity	10.75	9.17
ECL on undrawn loan commitment	3.49	1.08
	31.46	**23.73**

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DMI Housing Finance Pvt. Ltd. New Delhi

(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, 2022

Recorded in Statement of Profit & Loss Account	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Current income tax:		
Current income tax charge	82.78	76.82
Deferred tax:		
Relating to origination and reversal of temporary differences	(17.76)	12.58
Income tax expense reported in the statement of profit or loss	**65.02**	**89.40**
Recorded in OCI		
Deferred tax related to items recognised in OCI during the year:		
Actuarial gain on gratuity	0.34	0.31
Income tax charged to OCI	**0.34**	**0.31**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022:

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Profit before tax	256.87	352.31
At corporate tax rate of 25.17%	64.65	88.68
Expenditure disallowed	4.72	1.04
Income not subject to tax	-	(0.31)
Deductions	(4.36)	-
Impact due to revaluation of deferred tax due to change in Income tax rate	-	-
Tax expense (effective tax rate of 25.18%, Previous year 25.29%)	65.02	89.40

Deferred Tax liabilities / (assets)	**As at March 31, 2022**	**As at March 31, 2021**
Deferred tax liability		
Unrealized gain on mutual fund	(6.11)	(16.72)
Unamortized Fee/DSA/ Incentive Impact	(1.40)	(2.11)
Gross deferred tax liability	**(7.51)**	**(18.83)**
Deferred tax asset		
Expected credit loss (ECL)	10.32	6.31
Provision for gratuity and Leave availment	7.04	5.70
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	5.02	3.88
Others	0.62	0.68
Gross deferred tax asset	**23.00**	**16.57**
Net Deferred Tax Asset/(Liability)	**15.49**	**(2.26)**

17 Other Non-financial Liabitilies

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Statutory Dues Payable	10.01	10.71
Employee related statutory dues	1.42	1.24
Provision for Expenses	17.22	11.53
Total	**28.65**	**23.48**

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New Delhi

(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, 2022	As at March 31, 2021
Authorized share Capital		
860,000,000 (31 March, 2021 - 860,000,000) Equity Shares of Rs. 10/- each	8,600.00	8,600.00
140,000,000 (31 March, 2021 - 140,000,000) Compulsorily Convertible Preference Shares of Rs. 10/- each	1,400.00	1,400.00
	10,000.00	**10,000.00**
Issued & Subscribed Capital		
Fully Called-up and Paid Up capital		
484,627,264 (31 March, 2021- 484,346,715) Equity shares of Rs. 10/- each	4,846.27	4,843.47
NIL (31 March, 2021 - 187,150) Class A Equity shares of Rs. 10/- each	-	1.87
Partly Called-Up and Paid Up capital		
49,490,900 (31 March, 2021- 49,490,900) Equity shares of Rs. 10/- each	13.71	13.71
Total	**4,859.98**	**4,859.05**

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, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity Share at the beginning of year	53,40,24,765	4,859.05	53,21,60,147	4,829.41
Add:				
Equity Share Allotted during year				
Shares issued during the year-Fully Paid	93,399	0.93	18,64,618	18.65
Call money received on partly paid shares	-	-	-	10.99
Equity share at the end of year	**53,41,18,164**	**4,859.98**	**53,40,24,765**	**4,859.05**

During the year the company has passed a resolution wherein it has been decided to convert the Class A equity shares into ordinary equity shares.As per the terms of 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 ordinary equity shares 93,399 at face value of Rs.10 per share with premium of Rs.19.30 per share.

Also as per the terms the company will 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, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	46,04,42,315	94.74%	46,04,42,315	94.76%
Total	**46,04,42,315**	**94.74%**	**46,04,42,315**	**94.76%**

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, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	46,04,42,315	94.74%	46,04,42,315	94.76%
Total	**46,04,42,315**	**94.74%**	**46,04,42,315**	**94.76%**

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 Shares held by promoters at the end of the year

Name of the promoter	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
DMI Limited	46,04,42,315	94.74%	46,04,42,315	94.76%

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

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

19 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Other Equity		
Share Premium Reserve [1]		
Balance at the beginning of the year	478.47	442.99
Add : Premium on issue of equity shares	1.80	35.48
	480.27	**478.47**
Share Warrant Premium [2]		
Balance at the beginning of the year	**5.00**	-
Add : Issue of Share Warrants	9.76	5.00
	14.76	**5.00**
Reserve U/s 29C of the NHB Act 1987 [3]		
Balance at the beginning of the year	114.18	61.54
Add : Amount transferred from surplus of Profit and Loss	38.44	52.64
Balance at the end of the year	**152.62**	**114.18**
Share Based Payments Reserve [4]		
Balance at the beginning of the year	21.84	15.40
Fair Value of Stock Option-Charge for the year	13.78	6.44
Balance at the end of the year	**35.62**	**21.84**
Retained earnings [5]		
Balance at the beginning of the year	376.34	164.86
Add : Profit for the year	192.19	263.22
Add : Other Comprehensive Income remeasured gains on defined benefit plans	1.36	1.21
Less : Income-tax effect on other comprehensive income	(0.34)	(0.31)
Less : Transferred to statutory reserves	(38.44)	(52.64)
	531.11	**376.34**
Total Other Equity	**1,214.39**	**995.83**

(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. 9.76 Mn during the year. Each warrant will be convertible into one equity share which can be exercised within Warrant Exercise Period as approved by the Board

(3) Section 29C of The National Housing Bank Act, 1987 stipulates that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of Rs.38.44 Mn during the year (2021- Rs.52.64 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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(All amount in Rs. in millions, except for share data unless stated otherwise)

20 Interest income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial assets measured at Amortised cost	On financial assets measured at Amortised cost
Interest on Loans	1,037.80	983.45
Interest on deposits with Banks	11.60	17.19
	1,049.40	**1,000.64**

21 Fees and commission Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other fee income	21.06	20.36
	21.06	**20.36**

22 Net gain/(loss) on fair value changes

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/(loss) on financial instruments at fair value through profit and loss		
i) On trading portfolio		
Investments	113.02	101.27
Total Net gain/(loss) on fair value changes	**113.02**	**101.27**
Fair value changes		
Realised	155.15	48.78
Unrealised	(42.13)	52.49
Total Net gain/(loss) on fair value changes	**113.02**	**101.27**

23 Finance Costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial liabilities measured at Amortised cost	On financial liabilities measured at Amortised cost
Interest on non convertible debentures	294.76	300.66
Interest on Term Loan/Cash Credit	126.08	100.42
Other Finance Cost	8.60	2.50
Total	**429.44**	**403.58**

24 Impairment on financial instruments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial instruments measured at Amortised cost	On financial instruments measured at Amortised cost
Investments	(0.88)	(8.85)
Loans Assets	32.95	(1.05)
Write offs	1.19	0.67
Total	**33.26**	**(9.23)**

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

25 Employee Benefits Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	274.90	219.87
Contribution to provident and other funds	8.01	8.28
Gratuity	2.94	3.71
Leave encashment	3.74	3.41
Share Based Payments to employees	11.95	4.14
Staff welfare expenses	11.72	10.67
Total	**313.26**	**250.08**

Earned & Sick 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, 2022	Year ended March 31, 2021
Current service cost	6.46	7.81
Interest cost	1.08	0.68
Net remeasurement (gain) / loss recognized in the year	(0.91)	(0.41)
Adjustment of Opening SL Liability	(2.89)	-
Net expense	**3.74**	**8.08**

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

	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(0.91)	(0.41)
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	-	-
Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions	-	-
Remeasurement (gain) / loss arising during the year	**(0.91)**	**(0.41)**

Balance Sheet

Net defined benefit liability

	Year ended March 31, 2022	Year ended March 31, 2021
Present value of defined benefit obligation	17.22	15.93
Fair value of plan assets	-	-
Plan liability	**17.22**	**15.93**

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

	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	15.93	10.07
Current service cost	6.46	7.81
Interest cost	1.08	0.68
Benefits paid during the year	(5.34)	(2.21)
Remeasurement (gain)/loss on obligation	(0.91)	(0.41)
Closing defined benefit obligation	**17.22**	**15.93**

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

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	7.18%	6.76%
Salary escalation rate	6.00%	6.00%
Employee Turnover	age upto 30 = 3% age 31-44 = 2% age above 44 = 1%	age upto 30 = 3% age 31-44 = 2% age above 44 = 1%

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
a) Effect of 0.50% change in assumed discount rate		
- 0.50% increase	(1.27)	(1.05)
- 0.50% decrease	1.39	1.15
(b) Effect of 0.50% change in assumed salary escalation rate		
- 0.50% increase	1.41	1.16
- 0.50% decrease	(1.28)	(1.05)

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

Expected payment for future years	31-Mar-22	31-Mar-21
0 to 1 Year	0.49	0.29
1 to 2 Year	0.33	0.27
2 to 3 Year	0.32	0.26
3 to 4 Year	0.32	0.25
4 to 5 Year	1.31	0.24
5 to 6 Year	0.27	1.03
6 Year onwards	14.18	11.13
Total expected payments	**17.22**	**13.49**

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, 2022	Year ended March 31, 2021
Current service cost	3.34	3.34
Interest cost	0.62	0.45
Paid during the year	(1.02)	(0.08)
Net expense	**2.94**	**3.71**

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

	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(1.36)	(1.21)
Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	-	-
Remeasurement (gain) / loss on obligations arising from changes in demographic assumptions	-	-
Remeasurement (gain) / loss arising during the year	**(1.36)**	**(1.21)**

Balance Sheet
Net defined benefit liability

	Year ended March 31, 2022	Year ended March 31, 2021
Present value of defined benefit obligation	10.75	9.17
Fair value of plan assets	-	-
Plan liability	**10.75**	**9.17**

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

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

	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	9.17	6.68
Current service cost	3.34	3.34
Interest cost	0.62	0.45
Benefits paid during the year	(1.02)	(0.08)
Remeasurement (gain)/loss on obligation	(1.36)	(1.21)
Closing defined benefit obligation	**10.75**	**9.17**

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

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	**7.18%**	**6.76%**
Salary escalation rate	6.00%	6.00%
Employee Turnover	age upto 30 = 3% age 31-44 = 2% age above 44 = 1%	age upto 30 = 3% age 31-44 = 2% age above 44 = 1%

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
a) Effect of 0.50% change in assumed discount rate		
- 0.50% increase	(0.78)	(0.72)
- 0.50% decrease	0.86	0.80
(b) Effect of 0.50% change in assumed salary escalation rate		
- 0.50% increase	0.87	0.80
- 0.50% decrease	(0.79)	(0.73)

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

Expected payment for future years	31-Mar-22	31-Mar-21
0 to 1 Year	0.09	0.06
1 to 2 Year	0.16	0.10
2 to 3 Year	0.19	0.15
3 to 4 Year	0.19	0.17
4 to 5 Year	0.91	0.17
5 to 6 Year	0.17	0.66
6 Year onwards	9.04	7.87
Total expected payments	**10.75**	**9.18**

Compensated Absence :
The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future periods. Amount recognised in the Statement of profit and loss for compensated absences is as under-

Particulars	As at March 31, 2022	As at March 31, 2021
Amount Recognised in Statement of Profit and Loss		
- Gratuity	2.94	3.71
- Leave Encashment	3.74	3.41
Amount Recognised in Balance Sheet :	**As at March 31, 2022**	**As at March 31, 2021**
- Gratuity	10.75	9.17
- Leave Encashment	17.22	13.48

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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26 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	39.66	18.78
Audit fee	0.50	2.10
Goods & Service tax written off	15.61	13.95
Subscription and license fees	15.33	13.68
Rates and taxes	0.33	2.55
CSR Expense	4.56	2.40
Business promotion	1.95	2.43
Repairs and manitenance others	1.96	0.48
Travelling expenses	8.86	5.82
Electricity expense	2.65	2.19
Office running and maintenance expenses	14.29	18.69
Communication expense	7.43	6.36
Amortisation of add on cost on non-convertible debentures	0.55	0.22
Rent	6.20	5.25
Printing and stationery	3.95	3.61
Allocated Depreciation	2.82	2.75
Miscellaneous expenses	0.31	0.08
Total	**126.96**	**101.34**

26(a) Auditor's remuneration

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
For statutory audit	0.45	1.44
For tax audit	0.05	0.06
For certification	-	0.60
	0.50	**2.10**

26(b) Details of Corporate Social Responsibility (CSR)

a) Gross amount required to be spent by the Company for respective financial year	4.56	2.40
b) Amount approved by the board to be spent during the year	4.56	2.40
c) Amount spent during the year :	-	-
i) construction/acquisition of any asset	-	-
ii) on purposes other than (i) above	-	-
iii) (Shortfall) / Excess at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Details of related party transactions	-	-
vi) Nature of CSR activities:		
a) abolishing poverty, malnourishment and hunger, improvising health care which includes preventive health care and sanitation and making available safe drinking water. *	1.06	2.40
b) improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.**	-	-
c) Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga	-	-
d) Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports. ***	1.50	-
e) Disaster management, including relief, rehabilitation and reconstruction activities.	2.00	-

* During the year company has paid INR 0.06 Mn to Jyoti Development Trust and INR 1.00 Mn to Samarpan Foundation as donation
** During the year company has paid INR 2.00 Mn to Param Shakti Peeth as donaton
*** During the year company has paid INR 1.50 Mn Olympic Gold Quest as donation

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

27 Earning Per Share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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.)	534.02	532.39
Net profit for calculation of basic EPS	192.19	263.22
Basic earning per share (In Rs.)	**0.36**	**0.49**
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in Rs.)	538.54	536.53
Net profit for calculation of Diluted EPS (in Rs.)	192.19	263.22
Diluted earning per share (In Rs.)	**0.36**	**0.49**
Nominal value of equity shares (In Rs.)	**10.00**	**10.00**

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(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 2021 ("Plan"). Details of all grants in operation during the year ended March 31, 2022 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 Managamant**	**DMI HFC ESOP Plan 2020**	**DMI HFC Employment Contract 2020**	**DMI HFC ESOP Plan 2021**	**DMI HFC ESOP Plan 2021-II**	**DMI HFC Employment Contract Jan22 - I**	**DMI HFC Employment Contract Jan22 - II**	**DMI HFC Employment Contract Jan22 - III**
Date of grant	18-Mar-18	01-Apr-18	01-Apr-19	01-Oct-18	09-Apr-20	09-Nov-20	01-Apr-21	01-Jul-21	10-Nov-21	16-Dec-21	20-Dec-21
Date of Board / Compensation Committee approval	16-Mar-18	01-Apr-18	11-Sep-19	01-Oct-18	09-Apr-20	09-Apr-20	29-Jun-21	29-Jun-21	29-Jun-21	29-Jun-21	29-Jun-21
Number of Options granted	3,49,316	8,25,358	18,00,573	26,33,803	11,31,690	18,467	2,55,212	2,50,000	40,000	15,000	15,000
Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Graded vesting period*	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below	See Below
First vesting date	18-Mar-19	01-Apr-19	01-Apr-20	01-Oct-19	01-Apr-21	09-Nov-21	01-Apr-22	01-Jul-24	10-Nov-24	16-Dec-24	20-Dec-24
Exercise period **	5 years	5 years	5 years	5 years	5 years	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	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	29.10	29.00	32.00	32.00	32.00
Stock price on the date of grant	10.68	10.72	10.94	10.80	11.24	11.35	10.51	11.33	10.44	10.44	10.44

Graded vesting period*

*1. As per the vesting schedule 30%, 30% & 40% Options will vest on completion of one year, two years and three years from the grant date respectively applicable only for DMI HFC ESOP Plan 2021.

*2. For Schemes DMI HFC ESOP Plan 2021-II, DMI HFC Employment Contract Jan22 - I,DMI HFC Employment Contract Jan22 - II,DMI HFC Employment Contract Jan22 - III options will vest on completeion of three years from the grant dates respectively.

Exercise period **

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

II. Reconciliation of options

31-MAR-2022	**DMI HFC ESOP Plan 2018**	**DMI HFC Retention Plan, 2018**	**DMI HFC ESOP Plan 2019**	**DMI HFC ESOP Plan Managamant**	**DMI HFC ESOP Plan 2020**	**DMI HFC Employment 2020**	**DMI HFC ESOP Plan 2021**	**DMI HFC ESOP Plan 2021-II**	**DMI HFC Employment Contract Jan22 - I**	**DMI HFC Employment Contract Jan22 - II**	**DMI HFC Employment Contract Jan22 - III**
Options outstanding at the beginning of the year	3,49,316	8,25,358	18,00,573	26,33,803	11,31,690	18,467	-	-	-	-	-
Granted during the year	-	-	-	-	-	-	2,55,212	2,50,000	40,000	15,000	15,000
Exercised during the year	-	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	3,49,316	8,25,358	18,00,573	26,33,803	11,31,690	18,467	2,55,212	2,50,000	40,000	15,000	15,000
Weighted average remaining contractual life (in years)	1	1	2	2	3	4	4	4	5	5	5

31-MAR-2021	**DMI HFC ESOP Plan 2018**	**DMI HFC Retention Plan, 2018**	**DMI HFC ESOP Plan 2019**	**DMI HFC ESOP Plan Managamant**	**DMI HFC ESOP Plan 2020**	**DMI HFC Employment 2020**
Options outstanding at the beginning of the year	3,49,316	8,25,358	18,00,573	26,33,803	-	-
Granted during the year	-	-	-	-	11,31,690	18,467
Exercised during the year	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-
Outstanding at the end of the year	3,49,316	8,25,358	18,00,573	26,33,803	11,31,690	18,467
Weighted average remaining contractual life (in years)	2	2	3	3	4	5

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 Managamant**	**DMI HFC ESOP Plan 2020**	**DMI HFC Retention Plan 2020**	**DMI HFC ESOP Plan 2021**	**DMI HFC ESOP Plan 2021-II**	**DMI HFC Employment Contract Jan22 - I**	**DMI HFC Employment Contract Jan22 - II**	**DMI HFC Employment Contract Jan22 - III**
Stock price on the date of grant	10.68	10.72	10.94	10.80	11.24	11.35	10.51	11.33	10.44	10.44	10.44
Volatility	15%	15%	30%	15%	30%	30%	30%	30%	30%	30%	30%
Risk free Rate	6.00%	8.00%	7.00%	8.00%	6.14%	6.14%	6.14%	6.14%	6.60%	6.60%	6.60%
Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Exercise Price	10.68	10.72	10.94	10.80	29.61	28.30	29.10	29.00	32.00	32.00	32.00
Option Fair Value	3.08	3.55	4.45	3.69	0.87	0.99	10.51	11.33	10.44	10.44	10.44

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 or after three year as per the schemes unless terminated sooner by the Board in accordance with the option Plan. The Option plan give recipients the right to receive shares of the company upon the lapse of their related restrictions. Restrictions on options, lapse in various increments and at various dates, beginning after one year from date of grant through grantee retirement.

The employees' compensation expense for Stock options during the year ended 31 March 2022 amounts to Rs.11.95 Mn (previous year Rs. 4.14 Mn).

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(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, 2022 and March 31, 2021.

31 The Company does not have any pending litigation as on March 31, 2022 and March 31, 2021.

32 Commitments and contingencies

There is no contingent Liability as on March 31, 2022 and March 31, 2021.
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"

1. Entities where control exists:	
Holding Company	DMI Limited
2. Directors	Mr. Tamer Amr
	Mr. Gaurav Burman
	Mr. Shivashish Chatterjee
	Mr. Nipender Kochhar
	Mr. Yuvraja Chanakya Singh
3. Company Secretary	Mrs. Shilpi Varshney
4. Fellow subsidiaries	DMI Consumer Credit Private Limited
	DMI Finance Private Limited
5. Group Entity	DMI Alternatives Private Limited
	DMI Management Services Private Limited
	DMI Capital Private Limited
	Appnit Technologies Private Limited (w.e.f. 20th Jan 2022)
6. Enterprises owned or significantly influenced by Management personnel or their relatives	K2VZ, Partnership Firm
	Quickwork Technologies Pvt Ltd

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 related party

Equity Share Capital	March 31, 2022	March 31, 2021
Mr. Shivashish Chatterjee		
Issue of equity shares	-	9.32
Securities premium received	-	17.06
Mr. Yuvraja Chanakya Singh		
Issue of equity shares	-	9.32
Securities premium received	-	17.06
K2VZ, Parrtnership Firm		
Call money received towards face value	-	10.99
Securities premium received	-	1.36

2. Other Transactions

Name of related party	Nature of transactions	March 31, 2022			March 31, 2021			
		Expense Incurred/ Amount received	Amount paid	Outstanding balance	Opening balance	Expense Incurred/ Amount received	Amount paid	Outstanding balance
DMI Finance Private Limited (DMIF)	Rent	-	3.96	-	-	-	3.96	-
	Resource sharing fee	-	38.25	-	-	-	44.48	-
	Reimbursement of expenses	-	21.16	-	-	-	21.74	-
	Sale of investment	-	-	-	716.45	847.26	-	-
	Amount recoverable for stock option issued to DMIF employees	0.70	-	10.26	7.40	2.16	-	9.56
DMI Alternatives Private Limited (DMIA)	Amount recoverable for stock option issued to DMIA employees	0.02	-	0.26	0.19	0.05	-	0.24
Quickwork Technologies Pvt Ltd	Chat Bot Expense	1.00	0.99	0.08	0.08	1.09	1.09	0.08
Shilpi Varshney	Remuneration*	-	2.09	-	-	-	1.69	-
Nipender Kochhar	Director Sitting Fees	-	0.16	-	-	-	0.12	-
	Issue of warrants	0.12	-	1.04	-	-	-	-
Jayati Chatterjee	Issue of warrants	0.12	-	1.04	-	-	-	-
Gurcharan Singh	Issue of warrants	0.12	-	1.04	-	-	-	-
Bina Singh	Issue of warrants	0.12	-	1.04	-	-	-	-

* The above amount does not include post employment benefits

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34 Capital:

The company actively manages its capital base to cover risk inherent to its business and meets the capital adequacy requirements of the regulator, National Housing Board of India. The adequacy of the Company's capital is monitored using, among other measures the regulations issued by NHB.

(i) Capital management:

Objective

The company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company endeavors to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory Capital

Particulars	As at March 31, 2022	As at March 31,2021
Tier 1 CRAR	86.46%	76.05%
Tier 2 CRAR	0.57%	0.32%
Total CRAR	**87.03%**	**76.37%**

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-22	up to 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	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	418.68	-	-	-	-	-	-	-	**418.68**
Bank balance other than cash and cash equivalents	-	-	-	-	-	-	-	97.79	**97.79**
Loans	174.53	120.30	119.98	360.09	719.25	2,859.19	2,811.54	14,663.81	**21,828.69**
Investments	2,414.86	0.30	0.33	10.85	14.41	-	-	-	**2,440.74**
Other financial assets	0.02	7.04	-	3.98	-	10.52	-	2.78	**24.34**
Financial liabilities									
Trade Payables	6.20	-	-	-	-	-	-	-	**6.20**
Debt Securities	-	61.20	10.99	74.23	148.16	3,749.86	-	-	**4,044.44**
Borrowings (other than Debt Securities)	23.48	4.78	16.38	121.37	237.84	819.17	376.32	242.51	**1,841.85**
Other financial liabilities	5.12	137.15	136.40	135.29	-	5.61	-	-	**419.58**

Note :In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

31-Mar-21	up to 1 month	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Financial assets									
Cash and cash equivalents	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	12,813.55	**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**
Financial liabilities									
Trade Payables	3.14	-	-	-	-	-	-	-	**3.14**
Debt Securities	-	61.20	10.99	74.26	148.16	4,044.47	-	-	**4,339.08**
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**

Note :In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

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

(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 analyzed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.

The Company has designed all the policies as a rule book with clearly defined parameters to control the risk.

Exposure to credit risk

The carrying amount of financial assets measured at amortized cost represents the maximum credit exposure.

(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, 2022	March 31, 2021
Housing	7,055.58	6,214.63
Non-Housing *	1,493.39	1,435.25
	8,548.97	**7,649.88**

* 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-22	**Financial services**	**Real Estate**	**Others**	**Total**
Financial asset				
Cash and cash equivalents	418.68	-	-	**418.68**
Investments	2,414.68	23.64	-	**2,438.33**
Other financial assets	-	-	24.34	**24.34**

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

(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 of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report metrically for assessment of interest rate risks.

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 2022**	**As at March 2021**
Finance Cost		
0.50% Increase	8.98	6.97
0.50% Decrease	(8.98)	(6.97)
Advances		
0.50% Increase	38.62	35.11
0.50% Decrease	(38.62)	(35.11)

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

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	16.44	26.14
Additions made during the year	10.38	1.01
Depreciation charge for the year	(8.72)	(8.91)
Deletion made during the year	(0.26)	(1.79)
Balance at the end of the year	17.84	16.44

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

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	18.51	28.02
Additions made during the year	10.38	1.23
Interest accretion for the year	1.89	2.18
Payments made during the year	(10.55)	(11.44)
Deletion made during the year	(0.32)	(1.48)
Balance at the end of the year	19.91	18.51

The effective interest rate for lease liabilities is 9.5%

The following are the amounts recognized in profit and loss :

Particulars	March 31, 2022	March 31, 2021
Depreciation expense in respect of right-of-use asset	8.72	8.91
Interest expense in respect of lease liabilities	1.89	2.18
Expense relating to short-term leases (included on other expenses)	6.19	5.25
Total amount recognized in profit or loss	16.80	16.34

The Company's total cash outflows for leases was Rs. 10.55 Mn during year ended March 31, 2022 (Rs.11.44 Mn during the year ended March 31, 2021).

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

37 Disclosures required by the Reserve Bank of India in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020- 21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 (*as amended from time to time).*

The notes under this table are in crores

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, 2022**	**As at March 31, 2021**
CRAR (%)	87.03%	76.37%
CRAR - Tier I capital (%)	86.46%	76.05%
CRAR - Tier II capital (%)	0.57%	0.32%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual Debt instruments	-	-

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

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	11.41	6.15
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	**11.41**	**6.15**
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	3.84	5.26
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	15.25	11.41
b) Amount of special reserve u/s 36(1)(viii) of	-	-
Total	**15.25**	**11.41**

3 **Investments**

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Value of Investment		
(i) Gross Value of Investment		
a) In India	243.90	364.30
b) Outside India	-	-
(ii) Provision for Depreciation	-	-
a) In India	0.07	0.16
b) Outside India	-	-
(iii) Net Value of Investment		
a) In India	243.83	364.14
b) Outside India		
Movement of Provision held towards depreciation on Investment		
(i) Opening Balance	0.16	1.04
(ii) Add: Provisions made during the year	(0.09)	(0.88)
(iii) Less: Write off/Write Back of Excess provision during the year	-	-
(iv) Closing Balance	**0.07**	**0.16**

4 **Derivatives**

The Company has not entered into derivative transaction during the year (March 2021 : Nil). Further, there is no Outstanding balance of derivative transaction (March 2021: Nil)

5 **Securitization:**

The Company has not entered into securitization transaction during the year (March 2021 : Nil). Further, there is no Outstanding balance of securitization transaction (March 2021: Nil)

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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, 2022

Particulars	1 day to 7 Days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank *	0.32	-	1.95	0.13	1.26	9.27	18.54	67.73	30.80	21.90	151.90
Market Borrowings **	-	-	-	2.37	-	-	-	346.56	-	-	348.93
Foreign Currency Liabilities	-	-	-	-	-	-	-		-	-	-
Assets											
Advances	4.18	2.79	7.93	2.25	2.28	6.99	14.56	66.54	78.97	666.05	852.53
Investments	241.47	0.00	0.00	0.99	1.37	-	-	-	-	-	243.83
Foreign Currency Assets	-	-	-	-	-	-	-		-	-	-

* Net of lease liability recognized under Ind AS 116 in respect of leases (other than short-term leases) aggregating to INR 1.99 Crores

**Market borrowings include NCDs raised by the company

Note :In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

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
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	0.25	-	29.27	8.94	1.28	9.32	18.64	73.71	47.54	40.15	229.10
Market Borrowings	2.38	-	-	-	-	-	-	346.55	-	-	348.92
Foreign Currency Liabilities	-	-	-	-	-	-	-		-	-	-
Assets											-
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	-	-	-	-	-	-	-	-	-	-	

Note :In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

7 **Exposure**

a. **Exposures to real estate sector**

Category	**As at March 31, 2022**	**As at March 31, 2021**
(A) Direct exposure-		
i) Residential mortgages : Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	859.52	750.30
ii) Commercial real estate : Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based (NFB) limits;	2.43	18.80
iii) Investments in mortgage backed securities (MBS) and other securitized exposures : (a) Residential (b) Commercial real estate.		-
(B) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		-
Total Exposure to Real Estate Sector	861.95	769.10

b. **Exposure to Capital Market**

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares/ bonds/ debentures or other securities or on clean basis to individials for investment in shares (including IPO/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) advances for any other purposes to the extent secured hy the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares/ convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/ issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		

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

c. **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. **Exposure to group companies engaged in real estate business**

S.no	Description	Amount (In Crore)	% of Owned Fund
1	Exposure to any single entity in a group engaged in real estate business	Nil	Nil
2	Exposure to all entities in a group engaged in real estate business	Nil	Nil

8 **Miscellaneous**

8.1 **Registration obtained from other Financial sector regulators**

The Company has not obtained registeration from other Financial sector regulators

8.2 **Disclosure of Penalties imposed by NHB/ RBI and other regulators** : NIL

8.3 **Percentage of outstanding loans against collateral of gold jewellery to their outstanding total assets-**NIL

8.4 **Amount related to fraud, reported in the company for the year in their balance sheet-**NIL

8.5 **Related Party Transactions -**Refer Note 33

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8.6 **Group Structure**

DMI Limited (Mauritius) (Holding Company) [DMIL]

→ DMI Finance Private Limited [DMIF] (DMIL Holds 79.17%)
  → DMI Management Services Private Limited (DMIF Holds 100%)
  → DMI Alternatives Private Limited (DMIF Holds 49%)
  → DMI Capital Private Limited (DMIF Holds 100%)
→ → DMI Consumer Credit Private Limited (DMIL Holds 82.15% and DMIF Holds 7.85%)
  → Appnit Technologies Private Limited (DMIF holds 94.04%)
→ **DMI Housing Finance Private Limited [DMIH] (DMIL Holds 94.74%)**

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

	Name of Rating Agency	Limit	Type of Facility	Rating Changes		Date of Change	Remarks
		(Rs. in Cr.)		At the beginning of the year	Change during the year		
(i) ratings assigned by credit rating agencies and migration of ratings during the year;	CARE Ratings	100	Long term Bank Facilities	CARE AA- (CE); Negative	CARE AA-; Stable	29th March 2022	Revised from CARE AA- (CE); Stable, to CARE AA-; Stable
	Brickworks Ratings	400	Non-Convertible Debentures	BWR AA- (CE) / Stable	BWR AA- (CE) / Stable	20th March 2021	No Change
	Brickworks Ratings	350	Fund-based Bank Loan Facilities	BWR AA- (CE) / Stable	BWR AA- (CE) / Stable	20th March 2021	No Change
	ICRA Ratings	350	Fund based bank facilities	[ICRA]AA- (Stable);	[ICRA]AA- (Stable)	20th April 2021	Rating Assigned of Rs 300 Cr during the Year
	ICRA Ratings	400	Non-Convertible Debentures	NA	[ICRA]AA- (Stable)	20th April 2021	Rating Assigned of Rs 400 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, 2022	As at March 31, 2021
1. Provision for Depreciation on Investment	(0.09)	(0.88)
2. Provision made towards Income Tax	8.28	7.68
3. Provision towards NPA (towards stage III)	1.64	(0.30)
4. Provision for Standard Assets (towards stage I and stage II)	1.50	0.36
5. Provision for undrawn commitments	0.24	(0.17)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount (refer note 1)	704.95	621.81	148.67	143.41
b) Provisions made	3.33	2.13	0.73	0.62
Sub-Standard Assets				
a) Total Outstanding Amount (refer note 1)	4.09	2.49	1.55	0.84
b) Provisions made	1.50	0.79	0.49	0.21
Doubtful Assets - Category - I				
a) Total Outstanding Amount (refer note 1)	1.65	0.25	0.50	0.18
b) Provisions made	0.61	0.24	0.14	0.08
Doubtful Assets - Category - II				
a) Total Outstanding Amount (refer note 1)	0.34	0.10	0.08	0.01
b) Provisions made	0.13	0.03	0.05	0.00
Doubtful Assets - Category - III				
a) Total Outstanding Amount (refer note 1)	0.11	-	0.01	-
b) Provisions made	0.04	-	-	-
Loss Assets				
a) Total Outstanding Amount (refer note 1)	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**711.14**	**624.65**	**150.81**	**144.44**
b) Provisions made	**5.61**	**3.19**	**1.41**	**0.92**

Note:

a) The Total Outstanding amount represents Gross EAD amount.

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

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

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9.2 **Draw Down from Reserves**

There has been no draw down from reserves during the year ended March 31, 2022(2021-Nil).

9.3 **Concentration of Advances , Exposures and NPAs**

Particulars	As at March 31, 2022	As at March 31, 2021
Concentration of Loans & Advances		
Total Loans & Advances to twenty largest borrowers	**11.25**	**25.47**
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	1.19%	3.31%
Concentration of all Exposures (including off-balance sheet exposure)		
Total Exposures to twenty largest borrowers/Customers	**11.25**	**30.59**
(%) of Exposures to twenty largest	1.19%	3.65%
Concentration of NPAs		
Total Exposures to top ten NPA accounts	**2.01**	**1.56**

9.4 **Sector wise NPA**

Sector	% of NPAs to total Advances in that sector	
	As at March 31, 2022	As at March 31, 2021
A. Housing Loans:		
1 Individuals	0.87%	0.46%
2 Builders/Project Loans	0.00%	-
3 Corporates	0.00%	-
4 Others (specify)	0.00%	-
B. Non Housing Loans:		
1 Individuals	1.40%	0.78%
2 Builders/Project Loans	0.00%	-
3 Corporates	2.79%	0.29%
4 Others (specify)		-

9.5 **Movement of NPAs**

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Net NPAs to Net Advances (%)	0.62%	0.33%
(II) Movement of NPAs (Gross)		
a) Opening Balance	3.88	1.65
b) Additions during the year	5.35	3.34
c) Reductions during the year	(0.90)	(1.11)
d) Closing Balance	**8.33**	**3.88**
(III) Movement of Net NPAs		
a) Opening Balance	2.53	-
b) Additions during the year	3.61	2.19
c) (Reductions)/Additions during the year	(0.80)	0.34
d) Closing Balance	**5.34**	**2.53**
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	1.35	1.65
b) Provisions made during the year	1.74	1.15
c) Write-off/Write-Back of excess provisions	(0.10)	(1.45)
d) Closing Balance	**2.99**	**1.35**

9.6 **Overseas Assets**

Particulars	As at 31 March 2022	As at 31 March 2021
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 on March 31, 2022	As on March 31, 2021
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year *	23	14
No. of complaints redressed during the year	23	14
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.

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10 **Liquidity Risk Management Framework**

10.1 **Funding Concentration based on significant instrument/product**

Name of the instrument/product	As on March 31, 2022		As on March 31, 2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Non Convertible Debentures	348.97	63.23%	348.92	59.48%
Term Loans	152.78	27.68%	204.09	34.79%
Lease Liability	1.99	0.36%	26.74	4.56%

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10.2 **Funding Concentration based on significant counterparty**

No. of significant counterparties	As on March 31, 2022		As on March 31, 2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
3	492.42	89.22%	566.77	96.61%

*Represents contractual amount

10.3 **Top 10 Borrowings**

Particulars	As on March 31, 2022	As on March 31, 2021
	Amount*	Amount*
Top 10 borrowings (millions)	499.06	576.48
Top 10 borrowings [% of Total borrowings]	100.00%	100.00%

*Represents contractual

11 Stock Ratios	As on March 31, 2022	As on March 31, 2021
CP as % of total public funds	NA	NA
CP as % of total liabilities	NA	NA
CP as % of total assets	NA	NA

Particulars	As on March 31, 2022	As on March 31, 2021
NCD (original maturity of less than 1 year) as % of total public funds	NA	NA
NCD (original maturity of less than 1 year) as % of total liabilities	NA	NA
NCD (original maturity of less than 1 year) as % of total assets	NA	NA

Particulars	As on March 31, 2022	As on March 31, 2021
Other short term liabilities as % of total public funds	15.36%	12.94%
Other short term liabilities as % of total liabilities	16.04%	12.72%
Other short term liabilities as % of total assets	7.64%	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 (*as amended from time to time)* is given below:

Particulars	As at March 2022	As at March 2021
Total Assets*	1166.50	1176.24
Less: Intangible Assets	1.72	1.75
Net Total Assets	1164.77	1174.49
Housing Finance**	716.38	624.62
Individual Housing Finance**	716.38	624.62
Percentage of Housing Finance to total Assets (Netted of Intangible Assets)	61.50%	53.18%
Percentage of Individual Housing Finance to total Assets (Netted of Intangible Assets)	61.50%	53.18%

* Total assets is gross of impairment loss allowance amounting to Rs.7.14 crores (March 2021 4.11 crores)

** Represents contractual amount

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(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**
Liabilities side				
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
	a	Debentures : Secured	348.93	
		Debentures : Unsecured	-	
		(other than falling within the meaning of public deposits*)		
	b	Deferred Credits		
	c	Term Loans	151.90	
	d	Inter corporate loans and borrowings		
	e	Commercial Paper		
	f	Public Deposit		
	g	Other loans (lease liability)	1.99	
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	a	Secured*	861.95	
	b	Unsecured	Nil	
3	**Current Investments**			
	1	**Quoted**		
	(i)	Shares	-	
		(A) Equity	-	
		(B) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of Mutual Funds	-	
	(iv)	Government Securities		
	(v)	Others (Please specify)	-	
	2	**Unqouted**		
	(i)	Shares		
		(A) Equity	-	
		(B) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of Mutual Funds	241.47	
	(iv)	Government Securities		
	(v)	Others (Please specify) - Commercial Paper		
	Long Term Investments			
	1	**Quoted**		
	(i)	Shares		
		(A) Equity	-	
		(B) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of Mutual Funds	-	
	(iv)	Government Securities	-	
	(v)	Others (Please specify)	-	
	2	**Unqouted**		
	(i)	Shares	-	
		(A) Equity	-	
		(B) Preference	-	
	(ii)	Debentures and Bonds	-	
	(iii)	Units of Mutual Funds	-	
	(iv)	Government Securities	-	
	(v)	Others (Please specify) - Pass through certificate, Units of debt fund and security receipts#	-	

4	**Borrower group-wise classification of assets financed as in (3) and (4) above:**				
	Category		**Amount net of provision**		
			Secured	**Unsecured**	**Total**
	a.	Subsidiaries			-
	b.	Companies in the same group	-	-	-
	c.	other related parties	-	-	-
	Other than related parties		854.90		
	Total				

5	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**			
	Category		**Market Value**	**Book value (net of provisions)**
	a.	Subsidiaries	-	-
	b.	Companies in the same group	-	-
	c.	other related parties	-	-
	Other than related parties		241.47	
	Total		**241.47**	**-**

6	**Other information**		
	Particulars		**Amount**
	Gross Non Performing Assets		
	a.	Related parties	
	b.	Other than related parties	8.33
	Net Non Performing Assets		-
	a.	Related parties	
	b.	Other than related parties	5.34

*Includes balance of credit substitutes

(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 RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**5=3+4**	**6**	**7=4-6**
Performing Assets						
Standard	Stage1	826.25	3.60	822.66	2.35	1.24
	Stage2	27.37	0.47	26.89	2.44	(1.97)
Subtotal		**853.62**	**4.07**	**849.55**	**4.79**	**(0.72)**
Non-Performing Assets (NPA)						
Substandard	Stage3	5.64	1.98	3.66	0.86	1.12
Doubtful - up to 1 year	Stage3	2.15	0.75	1.40	0.75	0.01
1 to 3 years	Stage3	0.43	0.18	0.24	0.27	(0.09)
More than 3 years	Stage3	0.11	0.07	0.04	0.11	(0.04)
Subtotal for doubtful		**2.69**	**1.01**	**1.68**	**1.13**	**(0.13)**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA		**8.33**	**2.99**	**5.34**	**1.99**	**1.00**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage1	80.88	0.35	80.53	-	0.35
	Stage2			-	-	-
	Stage3			-		
Subtotal		**80.88**	**0.35**	**80.53**	**-**	**0.35**
Total	**Stage1**	907.13	3.94	903.19	2.35	1.59
	Stage2	27.37	0.47	26.89	2.44	(1.97)
	Stage3	8.33	2.99	5.34	1.99	1.00
	Total	**942.83**	**7.40**	**935.42**	**6.78**	**0.62**

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

38 Resolution Framework

(i) Details of resolution plan implemented under the Resolution Framework for Covid 19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0)

Type of Borrower	(A) Exposure to accounts classified as standard where resolution plan has been implemented- Position at the end of the previous year	Of (A), aggregate debt that slipped into NPA during the year	Of (A), amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as standard consequent to implementation of resolution plan - Position at the end of the year
Personal Loans*	69.14	1.72	-	22.14	45.27
Total	**69.14**	**1.72**	**-**	**22.14**	**45.27**

** Represents home loans and non-home loans*

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution are given below: -

S.No	Description	March 31, 2022 Housing Loans	March 31, 2022 Non Housing Loans
A	Number of requests received for invoking resolution process	200	55
B	Number of accounts where resolution plan has	200	55
C	Exposure to accounts mentioned at (B) before implementation of the plan.	178.47	38.39
D	Of (C), aggregate amount of debt that was converted into other securities.	-	
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation.	-	
F	Increase in provisions on account of the implementation of the resolution plan*	18.74	

39 Covid Note :

The uncertain economic environment as result impact of COVID-19 continues to prevail as infection rates continue change on a regular basis. On account of resurgence of Covid-19 pandemic in India during year ended March 31, 2022, the Reserve Bank of India introduced Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses vide circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 with the objective of alleviating the potential stress to individual borrowers and small businesses. In accordance with the circular, the Company has identified the eligible borrowers and those who agreed with the resolution plan were extended the support under the framework for relief from stress of Covid-19.

For the year ended March 31, 2022, the Company has incorporated estimates, assumptions, and judgements specific to the impact of CoVID-19 pandemic in its assessment of business model, going concern, measurement of impairment loss allowance including relating to the restructuring discussed above. These estimates, including the impairment loss allowance on loan portfolio which stood at Rs. 73.78 Mn as at March 31, 2022 is subject to uncertainty on account of factors explained above and the actual results may differ.

40 Other Ratios :

	Denominator	As at March 31, 2022	As at March 31, 2021	% variance	Reason for Variance
a) Capital to risk weighted assets ratio (CRAR)	Risk Weighted Assets	87.03%	76.37%	10.66%	NA
b) Tier I CRAR Tier-I Capital	Risk Weighted Assets	86.46%	76.05%	10.41%	NA
c) Tier II CRAR Tier II Capital	Risk Weighted Assets	0.57%	0.32%	0.25%	NA
d) Liquidity Coverage Ratio	Total net cash outflows	NA	NA	NA	NA

Total risk-weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI. Tier I capital means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund.

Tier II capital includes preference share capital, revaluation reserves, general provisions and loss reserves, hybrid debt capital instruments and subordinate debts to the extent the aggregate does not exceed Tier I
capital.

41 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 24.27 Mn and the fair value is 24.50 Mn and the same is classified under Level 2.

Borrowings

The carrying value of debt securities as at March 31, 2022 is Rs. 3,489.29 million and fair value is Rs. 3536.24 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, 2022 and March 31, 2021.

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

42 Maturity analysis of Assets and Liabilities:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	418.68	-	**418.68**	285.43	-	**285.43**
Bank balances other than cash and cash equivalents	-	80.68	**80.68**	-	77.58	**77.58**
Loans	409.75	8,115.58	**8,525.32**	312.48	7,263.49	**7,575.97**
Investments	2,438.32	-	**2,438.32**	3,608.42	32.98	**3,641.40**
Other financial assets	11.04	13.30	**24.34**	22.26	12.61	**34.87**
Non- financial assets						
Current tax assets (net)	-	-	**-**	17.63	-	**17.63**
Property, plant and equipment	-	36.78	**36.78**	-	41.24	**41.24**
Intangible assets under development	-	1.06	**1.06**	-	0.65	**0.65**
Other Intangible Assets	-	16.19	**16.19**	-	16.84	**16.84**
Other non- financial assets	0.06	34.56	**34.62**	25.17	0.18	**25.35**
Deferred tax assets (net)	-	15.50	**15.50**			
Assets held for sale	2.11	-	**2.11**	4.39	-	**4.39**
	3,279.96	**8,313.65**	**11,593.60**	**4,275.77**	**7,445.57**	**11,721.35**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
Payables						
(I) Trade Payables						
(i) total outstanding dues of micro enterprises and small	1.63	-	**1.63**	0.94	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.57	-	**4.57**	2.20	-	**5.32**
Debt Securities	23.76	3,465.53	**3,489.29**	23.76	3,465.46	**5,015.58**
Borrowings (other than Debt Securities)	407.09	1,131.85	**1,538.93**	684.65	1,623.67	**286.40**
Other financial liabilities	413.96	5.61	**419.57**	10.70	5.61	**241.51**
Non financial liabilities						
Provisions	0.58	30.88	**31.46**	0.35	23.37	**19.47**
Deferred tax liabilities (net)	-	-	**-**	-	2.26	**-**
Other Non-financial liabilities	28.65	-	**28.65**	23.48	-	**23.48**
Current tax liabilities (net)	5.13	-	**5.13**			
Equity			**-**			
Equity share capital	-	4,859.98	**4,859.98**	-	4,859.05	**4,859.05**
Other equity	-	1,214.39	**1,214.39**	-	995.83	**995.83**
	885.37	**10,708.24**	**11,593.60**	**746.08**	**10,975.27**	**11,721.35**

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AGIWAL & ASSOCIATES New Delhi FRN 000181N Chartered Accountants

DMI Housing Finance Pvt. Ltd. New Delhi

43 "No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

44 With regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" :-
(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Company have not traded or invested in Crypto currency or virtual currency during the financial year.
(v) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
(vi) The Company have not any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax
Act, 1961.

45 With regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit.
and Loss" there are no transactions that are required to be disclosed with regard to the following clauses 11(v) and 11(vii) for the Company.

46 The figures for the previous year have been regrouped/rearranged wherever necessary to conform to current year presentation.

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

CA Prakash Chand Agiwal
Partner
Membership No. 080475
Place: New Delhi
Date: 19th May 2022

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

Shivashish Chatterjee
(Director)
DIN: 02623460
Place: New York
Date: 19th May 2022

Yuvraja Chanakya Singh
(Director)
DIN: 02601179
Place: New Delhi
Date: 19th May 2022

Shilpi Varshney
(Company Secretary)
Membership No: A31180
Place: Gurugram
Date: 19th May 2022