

dhani

Dhani Loans and Services Limited
(CIN: U74899DL1994PLC062407)

Annual Report FY 2022-23

CORPORATE INFORMATION

Board of Directors

Mr. Sanjeev Kashyap
Mr. Amit Ajit Gandhi
Mr. Akshay Kumar Tiwary
Ms. Sargam Kataria
Brig. Labh Singh Sitara (Retd.)
Dr. Narendra Damodar Jadhav

Chief Financial Officer

Mr. Rajeev Lochan Agrawal

Company Secretary & Compliance Officer

Mr. Manish Rustagi

Investor Relations

Mr. Manish Rustagi
Tel: 91 11 41052775
Email: mrustagi@dhani.com

Statutory Auditors

HEM Sandeep & Co.
Chartered Accountants
FRN: 009907N
D 118, Saket, New Delhi, 110 017

Internal Auditors

M/s SGSJ & Associates
Chartered Accountants
(FRN: 023294N)
Z-1A Rajouri Garden,
New Delhi-110027

Secretarial Auditors

Say & Associates
(Formerly A.K. Kuchhal & Co.)
Company Secretaries
C-154, Sector-51,
Noida- 201301

Registered Office

1/1 E, First Floor, East Patel Nagar,
New Delhi-110008
Email: support@dhani.com
Tel: 011- 41052775, Fax: 011-42137986
Website: www.dhaniloansandservices.com

Corporate Offices

One International Centre (Formerly IFC),
Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400 013

Registrar & Transfer Agent

KFin Technologies Limited
(Formerly KFin Technologies Private Limited)
Unit: Dhani Loans and Services Limited
Selenium Tower B, Plot No.31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana

Bankers

- Axis Bank Limited
- Bank of Baroda
- Canara Bank
- HDFC Bank Limited
- ICICI Bank Limited
- IDFC First Bank Limited
- Kotak Mahindra Bank Limited
- RBL Bank Limited
- State Bank of India
- Yes Bank Limited



DHANI LOANS AND SERVICES LIMITED

(CIN: U74899DL1994PLC062407)

Registered Office: 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi-110008

Email: support@dhani.com, 011- 41052775, Fax: 011- 42137986

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the, the 29th Annual Report of the Company together with the audited statements of accounts for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The financial highlights of the Company, for the financial year ended March 31, 2023, are as under:

(Amount in Rs. Lakhs)

Particulars	For the Year ended March 31, 2023 Ind AS	For the Year ended March 31, 2022 Ind AS
Profit/(Loss) before Tax and Depreciation	(15,128.48)	(18,852.82)
<i>Less:</i> Depreciation and amortization expense	5,136.95	6,004.97
Profit/(Loss) before Tax	(20,265.43)	(24,857.79)
<i>Less:</i> Provision for Tax	(5,895.61)	(6,430.14)
Profit/(Loss) after Tax	(14,369.82)	(18,427.65)
Profit/ (Loss) brought forward	306.75	19,406.96
Add: Other comprehensive income	706.32	(377.18)
Add: Transfer from share options outstanding account	628.33	1.29
Add: Transfer from change in value of Loan Assets	21.17	504.15
Amount available for appropriation	(12,707.25)	1,107.57
Appropriation		
Transfer to Reserve Fund (u/s 45 IC of the RBI Act 1934)	-	-
Transfer to Capital redemption reserve	-	800.82
Transfer to change in value of Loan Assets	-	-
Balance carried forward to Balance Sheet	(12,707.25)	306.75

BUSINESS REVIEW

During the FY ended March 31, 2023, the Company incurred a Loss after Tax of Rs. 14,369.82 lakhs.

STATE OF COMPANY'S AFFAIRS

Dhani Loans and Services Limited (DLSL), is a non-deposit taking NBFC registered with the Reserve Bank of India and is a 100% subsidiary of Dhani Services Limited.

DIVIDEND

The Company has not declared any dividend during the financial year 2022-23.

COMPLIANCES

During the year under review your company has complied with all applicable regulations of the Reserve Bank of India. As per Non-Banking Finance Companies RBI Directions, as amended, the directors hereby report that the company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

Securities and Exchange Board of India (SEBI) vide its notification no. SEBI/LAD-NRO/GN/2021/47, issued on September 7, 2021, amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) and made Regulations 15 to 27 applicable to the Debt Listed Companies having an outstanding value of listed Non-Convertible debt securities of Rs. 500 Crore and above i.e. High Value Debt Listed Entity (“HVDLE”), on comply or explain basis till March 31, 2024. Accordingly, Company has been classified as a HVDLE and the aforementioned Regulations have become applicable to the Company.

The Company is an Unlisted Company as its shares are not listed on any stock exchange. However, as per the provisions of the Companies Act, 2013, the Company is considered as a Listed Company as its Secured, Redeemable, Non-Convertible Debentures issued through Public issue are Listed on National Stock Exchange of India Limited and BSE Limited. Your Company has thus complied with/is in the process of complying with all the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CHANGE OF REGISTERED OFFICE OF THE COMPANY

The Registered Office of the Company stands shifted from M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001 to 1/1E, First Floor, East Patel Nagar, New Delhi - 110008 w.e.f. May 01, 2022.

REGULATORY GUIDELINES

Reserve Bank of India (RBI) is the regulator for Non-Banking Financial Companies. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year 2022-23, Ms. Ritu Kapoor Puri (DIN: 09559548), was appointed as an Additional Director designated as whole-time director and Key Managerial Personnel of the Company w.e.f. April 4, 2022, Mr. Akhil Gupta (DIN: 09285050) was appointed as an Additional Director designated as Non-Executive director of the Company w.e.f. April 26, 2022, Mr. Vipin Chaudhary (DIN: 09588893) was appointed as an Additional Director designated as Non-Executive director of the Company w.e.f. July 01, 2022, Mr. Akshay Kumar Tiwary (DIN: 00366348) was appointed as an Additional Director designated as Non-Executive director of the Company w.e.f. November 28, 2022 and Mr. Sanjeev Kashyap (DIN: 03405178) appointed as Additional Director designated as Whole time Director & CEO of the Company w.e.f. January 01, 2023.

Further, Mr. Amit Ajit Gandhi (DIN: 07606699) and Ms. Sargam Kataria (DIN: 07133394) were appointed as Additional Directors designated as Non-Executive Directors of the Company w.e.f April 05, 2023 and August 01, 2023 respectively.

Thereafter, the appointments of Ms. Ritu Kapoor Puri (DIN: 09559548), Mr. Akhil Gupta (DIN: 09285050) and Mr. Vipin Chaudhary (DIN: 09588893), were approved by the shareholders of the Company at their Extra ordinary General Meeting held on July 02, 2022 and appointment of Mr. Akshay Kumar Tiwary (DIN: 00366348) and Mr. Sanjeev Kashyap (DIN: 03405178) were approved by the shareholders of the Company at their Extra ordinary General Meeting held on February 20, 2023. Further, appointment of Mr. Amit Ajit Gandhi (DIN: 07606699) was approved by the shareholders of the Company at their Extra ordinary General Meeting held on May 24, 2022 and they all are liable to retire by rotation.

During the financial year 2022-23, Ms. Preetinder Virk (DIN: 02398827), Mr. Ajit Kumar Mittal (DIN: 02698115), Mr. Nafees Ahmed (DIN: 03496241), Mr. Vipin Chaudhary (DIN: 09588893), ceased to be Non-Executive Directors of the Company with effect from April 4, 2022, April 26, 2022, July 1, 2022 and November 28, 2022 respectively and Mr. Pinank Jayant Shah (DIN: 07859798) ceased to be as Executive Director & CEO of the Company with effective from January 01, 2023. The Board has placed on record its appreciation for their contributions during their tenure on the Board.

Further, Mr. Akhil Gupta (DIN: 09285050) ceased to be Non-Executive Director and Ms. Ritu Kapoor Puri (DIN: 09559548) ceased to be Executive Director of the Company w.e.f April 05, 2023 and July 31, 2023 respectively. The Board has placed on records its appreciation for their contribution during their tenure as Directors on the Board.

Furthermore, Brig. Labh Singh Sitara (Retd.) (DIN: 01724648) Non-Executive Independent Director was appointed as Chairman of the Company with effect from March 06, 2023

In compliance with the applicable provisions, Mr. Akshay Kumar Tiwary (DIN: 00366348), Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. Ms. Sargam Kataria being an Additional Director, holds office up to the date of ensuing Annual General Meeting of the Company. The Board recommends the appointment of Ms. Sargam Kataria as a Non-Executive Director, liable to retire by rotation, at the ensuing AGM of the Company.

All the Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, terms of appointment, names of companies in which they hold directorships, memberships/ chairmanships of Board Committees, along with names of listed entities from which they have resigned in the past three years, are provided in the Notice convening the Twenty Ninth Annual General Meeting of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of

Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar.

Mr. Sanjeev Kashyap (DIN: 03405178), Whole Time Director & CEO, Mr. Rajeev Lochan Agrawal, Chief Financial Officer (CFO) and Mr. Manish Rustagi, Company Secretary (CS), are the KMPs of the Company.

RATING

As on March 31, 2023, Dhani Loans and Services Limited [DLSL] has Long term credit rating of BWR A+ (CWD) rating from Brickwork Ratings, IVR A (CWD) rating from Infomeric Valuation and Rating & CARE BB+ (Stable) rating from CARE Ratings.

SHARE CAPITAL

During the Financial Year 2022-23 there was no change in the share capital of the Company and The paid up equity share capital of the Company as on March 31, 2023, was Rs. 61,18,80,000/- comprising of 6,11,88,000 equity shares of face value of Rs. 10/- each.

DEMATERIALIZATION OF SHARES

As on March 31, 2023, 99.99% of the shareholding of the Company is in Demat mode.

BORROWINGS

The Company primarily sources funds through Term Loans, Non-Convertible Debentures (NCDs) and Securitisation. The outstanding debt (as per Ind AS) as on March 31, 2023 was Rs. 39,292.15 Lakh (Including accrued interest) as compared to Rs. 1,72,252.52 Lakh (Including accrued interest) as on March 31, 2022.

NON-CONVERTIBLE DEBENTURES

During the year under review, the Company through Public Issue has raised Rs. 9,576.48 lakh by issue of Secured, Redeemable, Non-Convertible Debentures (“NCDs”) of face value of INR 1,000/- each (“NCDs”). The Company has redeemed total NCDs amounting to Rs. 32,019.33 lakh during the year under review. As on March 31, 2023 total outstanding NCDs were amounting to Rs. lakh 29,961.67 through public issue and no debenture was issued on Private placement basis.

These NCDs are listed on National Stock Exchange of India Limited and BSE Limited.

ADDRESS FOR CORRESPONDENCE

(i) Registered Office:

1/1 E, First Floor,
East Pate Nagar,
New Delhi-110008 Email: support@dhani.com
Tel: 011- 41052775, Fax: 011- 42137986
Website: www.dhanieloansandservices.com

(ii) Corporate Office:

One International Centre (Formerly IFC),
Senapati Bapat Marg, Elphinstone Road,
Mumbai – 400 013

DEBENTURE TRUSTEES

(I) IDBI Trusteeship Services Limited
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel: 022 40807000
Fax: 022 66311776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.co

(II) Beacon Trusteeship Limited
4 C&D, Siddhivinayak Chambers,
Opp. MIG Cricket Club, Gandhi Nagar,
Bandra (East), Mumbai- 400 051
Telephone No: 022 2655 8759
Email: contact@beacontrustee.co.in
Website: www.beacontrustee.co.in

REGISTRAR & TRANSFER AGENT

KFIN Technologies Limited
(formerly known as KFin Fintech Private Limited)
Selenium, Tower B,
Plot No – 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad
Rangareddi – 500 032, Telangana, India
Telephone No.: +91 40 6716 2222
Facsimile No.: +91 40 2343 1551
Email: dhaniloans.ncdipo@kfintech.com

PUBLIC DEPOSITS

Being a Non Deposit taking Non-Banking Financial Company, your Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

AUDITORS

(a) Statutory Auditors

The shareholders of the Company have appointed M/s HEM Sandeep & Co, Chartered Accountants (Firm Registration No. 009907N) as statutory auditor of the Company in 27th Annual General Meeting (AGM) held on August 13, 2021, for a period of 3 (three) consecutive years to hold office from the conclusion of the 27th to 30th AGM of the Company. In terms of applicable regulatory provisions, M/s HEM Sandeep & Co, Chartered Accountants have confirmed that they are eligible to hold the office of Statutory Auditors of the Company for FY 2023-24.

Management response on the qualification as mentioned in the Auditor's report on standalone and consolidated Financial Statements of the Company as at March 31, 2023, forming part of this Annual Report is as under:

“The Reserve Bank of India issued a communication to the industry dated 20 June 2022 which impacted one of the Company's products/services offered to its customers. Considering the exceptional circumstances which arose on account of the impact of the above RBI communication, the Company on an exceptional and conservative basis had created a provision for impairment losses on financial instruments of Rs.72,961.20 lakhs(net of deferred tax) from the outstanding balance in the securities premium account. Also, there is no resultant impact on the carrying value of the total equity, assets and liabilities of the Company due to this exceptional treatment.”

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Act.

(b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s Say & Associates (*formerly known as M/s A. K. Kuchhal & Co.*), a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2022-23. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Secretarial Audit Report and Secretarial Compliance Report for the Financial Year 2022-23, are annexed as **Annexure 1 & Annexure 1A** respectively, forming part of these Reports. The Reports are self-explanatory and therefore do not call for any further explanation.

The Secretarial Audit Report of material subsidiary companies, namely, Transerv Limited and Indiabulls Distribution Limited are annexed as “**Annexure 2**” and “**Annexure 3**”, respectively.

(c) Cost Records

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

(d) Internal Auditor

The Company has appointed M/s SGSJ & Associates as an internal auditor of the Company in place of M/s SARH and Associates, Chartered Accountants.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of the SEBI LODR Regulations, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2023 and the profit and loss of the company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis; and
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013, read with the relevant rules (to the extent applicable), not elsewhere mentioned in this Report, are as under:

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) of the Companies Act, 2013 (“Act”), the Annual Return as on March 31, 2023 is available on the Company’s website at https://www.dhani loansandservices.com/policies/Form_MGT_7_DL SL_2023_w.pdf.

BOARD MEETINGS

During the FY 2022-23, 6 (Six) Board Meetings were convened by the Board of Directors of the Company.

LOANS, GUARANTEES OR INVESTMENTS

During the FY 2022-23, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies. Further, the Company, being a non-banking finance company and registered with the Reserve Bank of India, loans given, guarantees provided and investments made by it, were not covered under the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a ‘Policy on Related Party Transactions’ for proper conduct and documentation of all related party transactions. The same is available on the website of the Company at <https://www.dhani loansandservices.com/policies-and-codes>. The Company also has in place a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions as per the provisions of the Companies Act, 2013 and SEBI

Listing Regulations. Further, the disclosure as per Regulation 53(f) read with Schedule V of SEBI Listing Regulations is attached as **Annexure-4**.

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC -2 are not applicable.

Further, Your Directors wish to draw attention of the members to Notes 45 to the financial statement which sets out related party disclosures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively.

MATERIAL CHANGES AND COMMITMENTS

Apart from the information provided/disclosures made elsewhere in the Boards' Report including Annexures thereof, there are no material changes and commitments affecting the financial position of the Company, occurred between the date of end of the financial year of the Company i.e. March 31, 2023 till date of this Report.

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

During the financial year 2022-23 the Company paid a fine of Rs. 7.60 lacs to RBI for the penalty imposed by RBI on the Company w.r.t non-compliance of the "Reserve Bank of India [Know Your Customer (KYC)] Directions, 2016".

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being a Non-Banking Finance Company is not required to use much of energy and technology absorption, however in compliance of Section 134(3) read with Rule – 8 of Companies (Accounts) Rules, 2014, the necessary reporting with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, is an under:

A. Conservation of Energy

The Company uses energy for its office equipment such as computers, lighting and utilities at its work premises. As an ongoing process the following measures are undertaken to conserve energy:

- a) Implementation of viable energy saving proposals.
- b) Installation of automatic power controllers to save maximum charges and energy.

- c) Awareness and training sessions, at regular intervals, to concerned operational personnel on opportunities of energy conservation and their benefits.

B. Technology Absorption

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience and efficient Human resource management, by implementing world class HRMS application and empowering them by providing mobile platform to manage their work while on the go.

The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities.

C. Foreign Exchange Earnings and Outgo

The Company has incurred expense Rs. 512.42 Lakh in foreign currency during the year under review.

BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013, the Company has formulated robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in “**Annexure - 5**” forming part of this Report.

Further, the information of employees of the Company, employed by the Company through the year or part thereof, as required to be made in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure 5A**.

FAMILIARISATION PROGRAMME FOR NON – EXECUTIVE DIRECTORS

Non - Executive Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers & shareholders profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company.

The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Non – Executive Directors including independent directors. The details of the familiarization programmes have been hosted on the website of the Company and link provided in the Report on Corporate Governance forming part of this Report.

SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

As on March 31, 2023, the Company have four subsidiaries:

1. Transerv Limited (Formerly Transerv Private Limited)
2. Indiabulls Investment Advisors Limited (IIAL)
3. Indiabulls Distribution Services Limited (IDSL)
4. Indiabulls Alternate Investments Limited, as a subsidiary of IDSL

The statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 1 relating to Statement containing salient features of the financial statement of subsidiary has been attached to this report and forms part of the financial statements as “**Annexure 6**”.

During the year, Transerv Limited and Indiabulls Distribution Services Limited were material subsidiaries of the Company, as per SEBI LODR Regulations.

The Company is in compliance with Regulation 24A of the SEBI LODR Regulations. The Company’s material subsidiaries undergo Secretarial Audit and copies of Secretarial Audit Reports of these subsidiaries are given in **Annexure 2** and **Annexure 3** which are self-explanatory

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES OR ASSOCIATE COMPANIES

During the FY 2022-23, no new company became or ceased to be subsidiary or joint venture or associate of the Company.

COMMITTEES OF THE BOARD

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

The details with respect to composition, powers, roles, terms of reference, etc. of Committees constituted under the Companies Act, 2013 and SEBI Listing Regulations are given in the Corporate Governance Report forming part of this Annual Report.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Directors/KMP and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, taxation, law, governance and general management.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Since during immediately preceding three financial years, the Company had average net losses, therefore the Company was not required to contribute any amount towards CSR activities for the FY 2022-23, in terms of the applicable provisions. and the details given in "Annexure 7", forming part of this Report.

The CSR policy of the Company is available on the Company's website <https://www.dhniloansandservices.com/csr-policy>.

CORPORATE GOVERNANCE REPORT

Pursuant to the applicable provisions of the SEBI Listing Regulations, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

BOARD EVALUATION

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s)/Chairman. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/ members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest. On the basis of these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees as well as the performance

of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Directors was carried out by the Independent Directors in their meeting held on March 10, 2023. The Directors expressed their satisfaction with the evaluation process.

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of ‘Sexual Harassment’ at workplace, and is fully committed to uphold and maintain the dignity of every woman employee of the Company. The Company’s Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- i. number of complaints filed during the financial year - Nil
- ii. number of complaints disposed of during the financial year - Nil
- iii. number of complaints pending as on end of the financial year- Nil

Further, the Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

SECRETARIAL STANDARDS

The Board of Directors state that the Company has complied with the applicable Secretarial Standards (SS-1 and SS-2) respectively relating to Meetings of the Board, its Committees and the General Meetings as issued by the Institute of Company Secretaries of India.

DETAILS OF PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year, no applications were made or case was pending under the Insolvency and Bankruptcy Code, 2016 except the following:

- i) The case bearing no. CP (IB) – 64/2023 titled as “Phonepe Private Limited Versus Dhani Loans and Services Limited” was filed against Dhani Loans and Services Limited on 20/01/2023 and registered on 30/01/2023. The matter is currently pending adjudication and listed on 22/08/2023. In terms of the Insolvency and Bankruptcy Code, 2016 (“IBC”), Dhani Loans and Services Limited being a NBFC (Non-Banking Financial Company) is exempted from any action under the IBC. Thus, this petition is not maintainable.
- ii) The case bearing no. CP(IB) – 559/2022 titled as “Nimitaya Infotech Pvt. Ltd. Versus Dhani Loans and Services Limited” was filed against Dhani Loans and Services Limited on 13/07/2022 and registered on 25/07/2022. Nimitaya Infotech Pvt. Ltd. thereafter had withdrawn the said petition accordingly the petition was dismissed as withdrawn on 27/09/2022.

DETAILS OF VALUATION DONE WITH RESPECT TO LOANS TAKEN FROM BANKS OR FINANCIAL INSTITUTION

During the year, there was no instance of one-time settlement with Banks or Financial Institutions.

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Vigil Mechanism Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices.- The details of the Whistle Blower Policy are available on the website of the Company at <https://www.dhaniloansandservices.com/whistleblower-policy>.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made all those who were connected with the Company, for their support during the year.

For and on behalf of the Board of Directors

Date: August 11, 2023
Place: Gurugram

Sd/-
Sanjeev Kashyap
Whole-time Director & CEO
DIN : 03405178

Sd/-
Akshay Kumar Tiwary
Director
DIN : 00366348

Form No. MR-3

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DHANI LOANS AND SERVICES LIMITED
CIN: U74899DL1994PLC062407
1/1E, First Floor, East Patel Nagar,
New Delhi-110008

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Loans and Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions (including amendments) of the following to the extent these are applicable:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) 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;
- (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(vi) The Management has identified the following other laws, as applicable:

- (a) All the Rules, Regulations, Directions, Guidelines and Circulars including Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India, as amended from time to time;
- (b) Credit Information Companies (Regulation) Act, 2005 and Rules.
- (c) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the observations as spelt out in Statutory Auditor's report and notes to accounts.

We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board and its Committee Meetings and agenda and detailed notes on agenda were sent at well in advance for meetings other than those held at shorter notice, 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.
- iii. All the decisions of the Board and Committees thereof were carried out with the consent of all the directors present in the meetings.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the

Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

(a) allotted 9,57,648 Secured, Redeemable Non-Convertible Debentures of face value of Rs. 1000 at par amounting to Rs. 95,76,48,000 on May 17, 2022 through public issue which were listed on National Stock Exchange of India Ltd. and BSE Limited.

(b) shifted its Registered Office from 'M - 62 & 63, First Floor, Connaught Place, New Delhi - 110001' to '1/1 E, First Floor, East Patel Nagar, New Delhi-110008' w.e.f. May 1, 2022.

(c) shifted its corporate office and books of accounts from Plot No 448-451, Udyog Vihar, Phase -V, Gurugram, Haryana-122016' to 'Plot No. 108, 5th Floor, IT Park, Udyog Vihar, Phase - I, Gurugram, Haryana - 122016 w.e.f. November 15, 2022.

(d) paid a fine of Rs. 7.60 lacs to RBI for the penalty imposed by RBI on the Company w.r.t non-compliance of the "Reserve Bank of India [Know Your Customer (KYC)] Directions, 2016" on account of deficiencies found in the categorization of the 34 lacs customers into the High, Medium and Low for the FY 2019-20.

(e) clarified its stand w.r.t observations of NSE and BSE on few filings under Regulation 52(7)/(7A), 57(1) and 60(2) of SEBI (LODR) Regulations, 2015 and waiting for comments of the Stock Exchanges. No fines have been paid in the Financial year under review on said observations.

(f) taken requisite approvals of its members in the extra-ordinary general meeting held on May 24, 2023 under Section 197 of the Companies Act, 2013.

(g) Updated various policies of the Company as per applicable regulatory provisions.

**For Say & Associates,
Company Secretaries**

Sd/-

Deepak Rawat

Partner

M. No.: A33210

C. P. No.: 12241

FRN.: P2011UP000800

PR No: 3362/2023

UDIN: A033210E000750401

Place: Noida

Date: 05/08/2023

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,
The Members,
DHANI LOANS AND SERVICES LIMITED
CIN: U74899DL1994PLC062407
1/1E, First Floor, East Patel Nagar,
New Delhi-110008

Our Secretarial Audit Report of even date, for the financial year 2022-23 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Say & Associates,
Company Secretaries

Sd/-

Deepak Rawat

Partner

M. No.: A33210

C. P. No.: 12241

FRN.: P2011UP000800

PR No: 3362/2023

UDIN: A033210E000750401

Place: Noida

Date: 05/08/2023

**SECRETARIAL COMPLIANCE REPORT OF
“DHANI LOANS AND SERVICES LIMITED”
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

The provisions of regulation 16 to 27 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made applicable to high value debt listed entities and accordingly, We, M/s Say & Associates, Practicing Company Secretaries (formerly known as M/s A.K. Kuchhal & Co., Company Secretaries), have examined:

- (a) all the documents and records made available to us and explanation provided by **Dhani Loans and Services Limited** (“the Listed Entity”),
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2023 (“**Review Period**”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not applicable to the Company during the review period*)
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not applicable to the Company during the review period*)
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not applicable on the Company during the review period*)
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (*Not applicable on the Company during the review period*)
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Depository Participant) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on above examination, We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	None
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> ● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities ● All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	Yes	None
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> ● The Listed entity is maintaining a functional website ● Timely dissemination of the documents/ information under a separate section on the website ● Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	<p>Yes</p> <p>Yes</p> <p>N.A.</p>	<p>None</p> <p>None</p> <p>In terms of NSE Circular No. NSE/CML/2021/10 dated September 30, 2021 and BSE Circular No. 20220107-16 dated January 7, 2022, Annexure II of Compliance Report on Corporate Governance as prescribed by SEBI vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/567 dated May 31, 2021 is not applicable on the Listed Entity, being a High Value Debt Listed Company.</p>

4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA Yes	There is no material subsidiaries of the Listed Entity. None
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	None
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	None
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30/51 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Being a high value debt listed entity Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 is not applicable on the Company. However the listed entity has provided required disclosure(s) under

			applicable Regulation 51 read with Part B of Schedule-III.
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	No	The Company has clarified its stand w.r.t observations of NSE and BSE on few filings under Regulation 52(7)/(7A), 57(1) and 60(2) of SEBI LODR Regulations, 2015 and waiting for comments of the Stock Exchanges. No fines have been paid in the Financial year under review on said observations.
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA	No Statutory Auditors has resigned during the Review Period
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the</p>	NA	No Statutory Auditors has resigned during the Review Period

	<p>auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>		
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	No Statutory Auditors has resigned during the Review Period.

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulation s/ circulars/ guidelines including specific clause)	Regulation/ CircularNo.	Deviations	Action Takenby	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
None										

(b)The Listed Entity has taken the following actions to comply with the observations made in previous reports:

i) Observations made in previous Annual Secretarial Compliance report by Practicing Company Secretary for Financial year ended 31.03.2022:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Regulation 54(2) of SEBI (LODR) Regulations, 2015	54(2)	Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements	NSE & BSE	Penalty	Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements	Rs. 27,140/- (Including GST) each by NSE & BSE.	The Company has taken corrective steps and deposited the penalty.	Company had paid the said penalty to Exchanges.	The listed entity has taken sufficient steps to address the concerns raised/ observations in previous Annual Secretarial Compliance reports.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For Say & Associates,
Company Secretaries**

(Formerly known as M/s A. K. Kuchhal & Co.,
Company Secretaries)

Sd/-

**Deepak Rawat
Partner**

M. No.: A33210

C. P. No.: 12241

FRN.: P2011UP000800

PR No: 3362/2023

UDIN: A033210E000339661

Place: Noida

Date: 19/05/2023

FORM-MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2023

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

To,
The Members,
TRANSERV LIMITED
CIN: U93090MH2010PLC211328
Unit No. 401 & 402, One International Center,
4th Floor, Tower-1, S.B. Marg, Elphinstone Road(W)
Mumbai Mumbai City MH 400013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Transerv Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed here under 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions (including amendments) of the following to the extent these are applicable:

- i. The Companies Act, 2013(the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') viz.:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - j) 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;
 - k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- vi. and other applicable laws like:
- All the Rules, Regulations, Directions, Guidelines and Circulars including Master Direction on prepaid payment instruments (PPIs), issued by the Reserve Bank of India, as amended from time to time;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India w.r.t. Meetings of the Board of Directors (SS - 1) and General Meeting (SS - 2).

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.

All decisions of the Board and Committees were carried with requisite majority.

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

For **Sukesh & Co.**

(Company Secretaries)

Sd/-

(Sukesh Saini)

FCS No. : F11688

COP No.: 12007

UDIN: F011688E000734949

Place: Gurgaon

Date: 03/08/2023

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

'Annexure A'

To,
The Members,
TRANSERV LIMITED
Unit No. 401 & 402, One International Center,
4th Floor, Tower-1, S.B. Marg, Elphinstone Road(W)
Mumbai Mumbai City MH 400013

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For **Sukesh & Co.**
(Company Secretaries)

Sd/-
(Sukesh Saini)
FCS No. : F11688
COP No.: 12007
UDIN: F011688E000734949
Place: Gurgaon
Date: 03/08/2023

FORM-MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

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

To,
The Members,
INDIABULLS DISTRIBUTION SERVICES LIMITED
CIN: U74999DL2009PLC191143
1/1E, First Floor, East Patel Nagar,
New Delhi -110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indiabulls Distribution Services Limited** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed here under 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions (including amendments) of the following to the extent these are applicable:

- i. The Companies Act, 2013(the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations prescribed under the Securities and Exchange Board of India Act,1992 (‘SEBI Act’) viz.:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - j) 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;
 - k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- vi. There are no other Sector specific laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India w.r.t. Meetings of the Board of Directors (SS - 1) and General Meeting (SS – 2).

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

We further report that changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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. All decisions of the Board and Committee were carried out with requisite majority.

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

For **Sukesh & Co.**
(Company Secretaries)

Sd/-
(Sukesh Saini)
FCS No. : F11688
COP No.: 12007
UDIN: F011688E000769962
Place: New Delhi
Date: 09/08/2023

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

To,
The Members,
INDIABULLS DISTRIBUTION SERVICES LIMITED
CIN: U74999DL2009PLC191143
1/1E, First Floor, East Patel Nagar,
New Delhi West Delhi-110008

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For **Sukesh & Co.**
(Company Secretaries)

Sd/-
(Sukesh Saini)
FCS No. : F11688
COP No.: 12007
UDIN: F011688E000769962
Place: New Delhi
Date: 09/08/2023

Annexure 4

Figures in Rs. Lakh

Particulars	Holding company		Subsidiaries	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans and advances in the nature of loans to Subsidiaries: (Maximum balance outstanding during the year):				
Transerv Limited	-	-	-	2,663.16
Investment in the shares of subsidiaries:				
Indiabulls Distribution Services Limited	-	-	45,000.12	45,000.12
Indiabulls Investment Advisors Limited	-	-	35,550.00	35,550.00
Transerv Limited	-	-	12,579.39	12,579.39

For and on behalf of the Board of Directors

Sd/-

Sanjeev Kashyap

DIN: 03405178

Whole Time Director & Chief Executive Officer

Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under –

Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2022-23

Designation	Ratio of remuneration to the median employees' remuneration
Whole time Director & CEO	73.04:1

The details of fee for attending Board meetings and other incentives, if any, paid to Independent and Non- Executive Directors have been disclosed in Corporate Governance Report, forming part of this Annual Report.

No remuneration was paid to other Director(s) during the FY 2022-23 and hence, not forming part of this clause.

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2022-23

Designation	Increase in Remuneration (%)
Whole time Director & CEO	NIL
Company Secretary	NIL

No remuneration was paid to other Director(s) during the Financial Year 2022-23 hence not forming part of this clause.

The percentage increase in the median remuneration of employees in the FY 2022-23

There has been a increase of 8.78% in the median remuneration of all the employees (including KMPs), in the FY 2022-23.

Number of permanent employees on the rolls of Company.

The Company had 5224 employees on its permanent rolls, as on March 31, 2023

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

There has been average percentile increase of 0.09% in the salaries of total employees other than the key managerial personnel in the FY 2022-23. While the average increase in the percentile remuneration of key managerial personnel is NIL .

The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

There were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company.

For and on behalf of the Board of Directors

Place: Gurugram
Date: August 11, 2023

Sd/-
Sanjeev Kashyap
Whole-time Director & CEO
DIN: 03405178

Sd/-
Akshay Kumar Tiwary
Director
DIN: 00366348

Dhani Loans and Services Limited

DETAILS REGARDING REMUNERATION TO THE EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(A) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakh rupees

SL. No.	Name	Designation of the employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Digvijay Kumar Singh	Chief General Manager	1,20,00,000	Permanent	ME/M Tech	15-09-2021	40	Innoviti Payments	NA	NA

(B) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month

SL. No.	Name	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Amit Ajit Gandhi	Business Head	70,71,711	Permanent	PGDMA	17-Apr-17	47	Indiabulls Housing Finance Ltd	NA	NA
2	Mr. Pinank Jayant Shah	Chief Executive Officer	1,27,30,150	Permanent	M M S	19-Jun-17	44	Indiabulls Housing Finance Ltd	NA	NA
3	Mr. Suchit Subodh Mishra	Chief Information Officer	33,33,334	Permanent	MS	08-Aug-21	46	Hear.com	NA	NA
4	Mr. Gineesh George	Senior General Manager	28,58,337	Permanent	BE/B Tech	13-Sep-21	39	Adobe System	NA	NA
5	Mr. Neel Bhasin	Senior Software Developer	8,33,333.65	Permanent	BE/B Tech	05-Jan-22	32	Fancode	NA	NA
6	Mr. Ashwin Pal	Senior Engineering Manager	90,00,010	Permanent	B.TECH	01-Jun-22	30	Dhani Healthcare Limited	NA	NA
7	Mr. Sandeep Kadam	Head of IT	2,50,00,000	Permanent	M.SC	01-Jun-22	41	Dhani Healthcare Limited	NA	NA

(D) The names of the top ten employees in terms of remuneration drawn during the Financial Year 2022-23:

w	Name	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Sandeep Kadam	Head of IT	2,50,00,000	Permanent	M.SC	01-Jun-22	41	Dhani Healthcare Limited	NA	NA
2	Mr. Pinank Jayant Shah	Chief Executive Officer	1,27,30,150	Permanent	MMS	19-Jun-17	43	Indiabulls Housing Finance Limited	NA	NA
3	Mr. Digvijay Kumar Singh	VP Product	1,20,00,000	Permanent	ME/M Tech	15-Sep-21	40	Innoviti Payments	NA	NA
4	Mr. Rajagopalan Parthasarathy	Senior Engineer Manager	1,00,00,008	Permanent	Msc	17-Nov-21	50	Wells Fargo	NA	NA
5	Mr. Rishabh Chhajer	Senior Vice President	99,45,008	Permanent	B Tech	08-Nov-21	33	Gameskraft	NA	NA
6	Mr. Ashwin Pal	Senior Engineering Manager	90,00,010	Permanent	B.TECH	01-Jun-22	30	Dhani Healthcare Limited	NA	NA
7	Mr. Ankur Saxena	Chief General Manager	90,00,000	Permanent	BE/B tech	06-Aug-21	39	TIMES INTERNET	NA	NA
8	Mr. Amit Ajit Gandhi	Business Head	70,71,711	Permanent	MBA	17-Apr-17	47	Indiabulls Housing Finance Limited	NA	NA
9	Mr. Sanjeev Kashyap	Chief General Manager	68,98,349	Permanent	MBA	01-Nov-18	51	Indiabulls Housing Finance Limited	NA	NA
10	Mr. Dharmesh Kishore	Chief General Manager	62,50,000	Permanent	MBA	01-Jun-22	46	Dhani Healthcare Limited	NA	NA

Notes: -

1. Remuneration includes salary, bonus, incentive, house rent allowance, supplementary allowance, Transport allowance, Medical allowance, leave travel allowance, and other allowance paid in cash.
2. Other Terms and Conditions: All appointments are/were in accordance with the terms and conditions as per applicable Rules and Policy of the Company

Annexure-6

Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

[Form AOC-1: Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part A: Subsidiaries

(All amounts in Indian Rupees in lakh unless stated otherwise)

Sr. No.	Name of the Subsidiary Companies	Date of acquisition of subsidiary	Year	Reporting Currency	Share Capital	Other equity (Surplus / (Deficit))	Total Assets excluding investments	Total Liabilities #	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
1	Indiabulls Investment Advisors Limited	20.03.2020	2022-23	₹	35,550.00	(12,018.52)	23,728.01	196.53	-	2,003.56	438.04	(77.71)	515.75	-	100.00%
2	Indiabulls Distribution Services Limited	26.03.2020	2022-23	₹	35.82	45,220.62	55,307.29	10,555.85	505.00	6,770.79	(1,119.30)	(1,202.15)	82.85	-	86.04%
3	Indiabulls Alternate Investments Limited *	26.03.2020	2022-23	₹	505.00	419.86	738.74	10.95	197.07	109.58	1.56	2.06	(0.50)	-	86.04%
4	TranServ Limited	01.04.2019	2022-23	₹	647.92	2,066.07	24,538.91	21,824.92	-	4,048.89	(1,762.54)	309.64	(2,072.18)	-	100.00%

Total liabilities exclude share capital and other equity

* Wholly owned subsidiary of Indiabulls Distribution Services Limited

Part "B" Associates - Not applicable

For and on behalf of the Board of Directors

Sd/-
Sanjeev Kashyap
DIN: 03405178
Whole Time Director & Chief Executive Officer

Sd/-
Akshay Kumar Tiwary
DIN: 00366348
Director

Sd/-
Rajeev Lochan Agrawal
Chief Financial Officer

Sd/-
Manish Rustagi
Company Secretary

Place: Gurugram
Date: 26 May 2023

Annual Report on CSR Activities for Financial Year Ending March 31, 2023

1. Brief outline on CSR Policy of the Company.

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards nutrition, sanitation, education, health, animal welfare and rural development etc. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

2. Composition of CSR Committee:

Sl. 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	Brig. Labh Singh Sitara (Retd.) [§]	Member (Independent Director)	1	1
2	Mr. Ajit Kumar Mittal*	Member (Non-Executive Director)	1	0
3	Mr. Pinank Jayant Shah ^{##}	Member (Executive Director)	1	1
4	Ms. Preetinder Virk [#]	Member (Non-Executive Director)	1	0
5	Mr. Akhil Gupta**	Member (Non-Executive Director)	1	1
6	Ms. Ritu Kapoor Puri [@]	Member (Executive Director)	1	1
7	Mr. Akshay Kumar Tiwary [^]	Chairman (Executive Director)	1	0

[#]Ms. Preetinder Virk ceased to be the member of the Committee w.e.f. April 04, 2022.

[@]Ms. Ritu Kapoor Puri was appointed as member of the company w.e.f April 04, 2022.

*Mr. Ajit Kumar Mittal ceased to be the member of the committee w.e.f. April 26, 2022.

**Mr. Akhil Gupta was appointed as member of the committee w.e.f. April 26, 2022 and ceased to be the member of the committee w.e.f. January 01, 2023.

^{##}Mr. Pinank Jayant Shah ceased to be the member of the committee w.e.f. January 01, 2023.

[^]Mr. Akshay Kumar Tiwary was appointed Chairman of the committee w.e.f. 01 January, 2023.

[§]Brig. Labh Singh Sitara (Retd.) ceased to be Chairman and continued as member w.e.f. 01 January, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of the CSR committee shared above and is available on the Company's website at https://www.dhani loansandservices.com/policies/Board_Directors_and_Committees_of_DL_S_L.pdf and Policy of the Company is available at <https://www.dhani loansandservices.com/csr-policy>

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2019-20	Nil	Nil
2	2020-21	Nil	Nil
3	2021-22	Nil	Nil
	Total		

6. Average net profit of the company as per section 135(5). Rs. (99,48,68,497).

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs. (1,99,00,000).

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c). NA

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

Total Amount Spent for the 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 specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
NA	Nil	N.A	N.A	Nil	N.A

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	NA											
	Total	NA										

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total					N.A			

(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): NA

(g) Excess amount for set off, if any

2	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total				N.A	N.A	N.A	

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):
No Assets Created during the Year.

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

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). N.A

For Dhani Loans and Services Limited

Place: Gurugram
Date: August 11, 2023

Sd/-
Sanjeev Kashyap
Whole-time Director & CEO
DIN: 03405178

Sd/-
Akshay Kumar Tiwary
Chairman – CSR Committee
DIN: 00366348

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of the Company ("Dhani Loans") and all its stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholders value and discharge its social responsibility.

The Company is committed towards achieving the highest standards of Corporate Governance by emphasizing on a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company believes that good governance brings sustained corporate growth and long-term benefits for all its stakeholders.

Dhani Loans engages in a credible and transparent manner with all its stakeholders and clearly communicates its long-term business strategy. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This is the path to consistent, competitive, profitable and responsible growth, and for creating long-term value for its shareholders, its employees and business partners.

The Board of Directors ('the Board') is responsible for and is committed to sound principles of Corporate Governance of the Company and plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. As you aware that the COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe due to which the severity of its impact on business activity is still evolving. Your Company is nimble-footed and continuously evolving its strategies to deal with the emergent challenges with the help of depth experience of management team.

Dhani Loans keeps its governance practices under continuous review and benchmark itself to best practices. This belief is reflected in its governance practices, under which it strives to maintain an effective, informed and independent Board.

The Company is in compliance with the Master Direction – Non-Banking Financial Company and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), to the extent applicable.

1. BOARD OF DIRECTORS

(A) Composition and size of the Board

The Company's Board is constituted of highly experienced professionals from diverse backgrounds. The Board's constitution is in compliance with the Companies Act, 2013, SEBI LODR Regulations to the extent applicable, and Listing Agreement executed by the Company with the Stock Exchanges and is in accordance with the highest standards of Corporate Governance, which ensures an appropriate mix of Executive/Non-Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth.

Presently, as on the date of this report, the Board consists of six directors, of which one is Executive Director and three are Non-Executive, Non Independent Directors. The remaining two directors are, namely, Brig. Labh Singh Sitara(Retd.), bachelor in economics from the Punjab University (Re-appointed as Non-Executive Independent Director w.e.f. September 14, 2022) and Dr. Narendra Damodar Jadhav (former Member Planning Commission) (appointed as Non-Executive Independent

Director w.e.f. November 17, 2020).

No Director is related to any other Director on the Board. The Board comprises directors that bring a wide range of skills, expertise and experience which enhance overall board effectiveness.

The Board has identified skills and domain expertise required by the Directors of the Company which includes Banking & Finance, Business Strategy, Corporate Governance, Corporate Social Responsibility, Human Resources, Marketing, Operations and Process Optimization, Policy Making, Regulatory Compliances, Risk Management, Stakeholder Management, Taxation and Treasury. The Directors of the Company have mapped their skills based on the board skill matrix.

Details of Directors, directorship in listed companies, number of directorships held by them in other companies and also the number of their memberships and chairmanships on various Board Committees, including skill sets/ expertise/competencies/practical knowledge, as on March 31, 2023, are as under:

Sl. No	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorship in other Companies*	No. of Memberships/ Chairmanships in Board Committees of various companies (including this Company)**	
								Memberships	Chairmanships
1	Mr. Sanjeev Kashyap (DIN: 03405178)	Whole-time Director & CEO	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	NIL	NA	0	1	0	0
2	Ms. Ritu Kapoor Puri (DIN: 09559548)	Executive Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	NIL	NA	0	1	1	NIL
3	Mr. Akhil Gupta (DIN: 09285050)	Non-Independent Non-Executive Director	Banking and Finance, Business Strategy, Regulatory / legal & Risk Management, Treasury, Foreign Exchange Recovery, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	NIL	NA	0	0	NIL	NIL
4	Mr. Akshay Kumar Tiwary (DIN: 003663480)	Non-Independent Non-Executive Director	Banking and Finance, Business Strategy, Regulatory / legal & Risk Management, Treasury, Foreign Exchange Recovery, Marketing, Corporate Governance, Corporate Social	NIL	NA	0	19	NIL	NIL

			Responsibility, Stakeholder Management, Operations and Process Optimization						
5	Brig. Labh Singh Sitara (Retd.) (DIN: 01724648)	Non-Executive - Independent Director	Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	NIL	NA	0	0	NIL	NIL
6	Dr. Narendra Damodar Jadhav (DIN:02435444)	Non-Executive - Independent Director	Risk Management, Corporate Governance, Operations and Process Optimization	1. Jain Irrigation Systems Limited 2. Tata Teleservices (Maharashtra) Limited 3. Dhani Services Limited	Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director	3	2	8	3

Note1: Ms. Preetinder Virk (DIN: 02398827), Mr. Ajit Kumar Mittal (DIN: 02698115), Mr. Nafees Ahmed (DIN: 03496241), Mr. Vipin Chaudhary (DIN: 09588893), ceased to be Non-Executive Directors of the Company with effect from April 4, 2022, April 26, 2022, July 1, 2022 and November 28, 2022 respectively and Mr. Pinank Jayant Shah (DIN: 07859798) ceased to be as Executive Directors & CEO of the Company with effective from January 01, 2023.

Note 2: Ms. Ritu Kapoor Puri (DIN: 09559548), was appointed as a whole-time director and key managerial personnel of the company w.e.f. April 4, 2022, Mr. Akhil Gupta (DIN: 09285050) was appointed as a Non-Executive director of the Company w.e.f. April 26, 2022, Mr. Vipin Chaudhary (DIN: 09588893) was appointed as a Non-Executive director of the Company w.e.f. July 01, 2022, Mr. Akshay Kumar Tiwary (DIN: 00366348) was appointed as a Non-Executive director of the Company w.e.f. November 28, 2022 and Mr. Sanjeev Kashyap (DIN: 03405178) appointed as a Whole time Director & CEO of the Company w.e.f. January 01, 2023.

**Includes directorship(s) held in foreign companies & private limited companies and Companies under section 8 of the Companies Act, 2013.*

***Only memberships of the Audit Committee / Stakeholders' Relationship Committee in various public limited companies and chairmanship of the Audit Committee / Stakeholders' Relationship Committee in various equity listed limited companies excluding High Value Debt Listed Entity, as per Regulation 26 of the SEBI LODR. The Company being 'High Value Debt Listed Entity', the membership and chairmanship of Audit Committee and Stakeholder Relationship Committee in the Company have not been considered, in terms of Regulation 26(1) of Listing Regulations.*

****Only debt securities of these companies are listed on NSE & BSE.*

The Board do hereby confirms that all the present Independent Directors of the Company fulfill the conditions specified in the SEBI LODR and are independent of the management of the Company.

The Board had accepted all recommendations of committees of the Board which are mandatorily required, during the financial year 2022-23.

During FY2022-23, 1 (one) meeting of the Independent Directors was held on March 10, 2023 where in all the Independent Directors attended the meeting. The Independent Directors inter-alia, reviewed the performance of the Non-Independent Directors, Board as a whole, taking into account the views of Executive Director and Non- Executive Directors.

None of the Directors are related inter-se.

None of the Non-Executive Directors held any equity share and/or convertible security of the Company during the financial year ended March 31, 2023.

The Board periodically reviews the compliance reports of all laws applicable to the Company. During FY 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company at <https://www.dhaniloansandservices.com/policies/DLSL-Board-Familiarisation-Programme.pdf>

(B) Number and Dates of Board Meetings held, attendance of Directors thereat and at the last AGM held

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes / relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Senior management including the CFO was invited to attend the board meetings so as to provide additional inputs on the items being discussed by the Board. At the board meetings, the Executive Directors and senior management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

6 (Six) Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on April 4, 2022, May 30, 2022, August 12, 2022, November 11, 2022, January 01, 2023 and February 10, 2023. The necessary quorum was present for all the meetings.

The last Annual General Meeting of the Company was held on September 29, 2022.

Attendance of Directors at the Board Meetings held during the FY 2022-23 and at the last Annual General Meeting are as under:

Sr. no.	Name of the Director	No. of Board meetings attended	Attendance at the last AGM
1.	Mr. Labh Singh Sitara (DIN: 01724648)	6	Yes
2.	Dr. Narendra Damodar Jadhav (DIN:02435444)	6	No
3.	Ms. Ritu Kapoor Puri (DIN:09559548) [#]	6	Yes
4.	Mr. Pinank Jayant Shah (DIN: 07859798)*	4	No
5.	Mr. Ajit Kumar Mittal (DIN: 02698115)*	1	No
6.	Mr. Pritender Virk (DIN:02398827)*	-	No
7.	Mr. Akhil Gupta (DIN:09285050) [#]	5	Yes
8.	Mr. Vipin Chaudhary (DIN: 09588893)*	2	Yes
9.	Mr. Akshay Kumar Tiwary (DIN:00366348) [#]	2	No
10.	Mr. Sanjeev Kashyap (DIN:03405178) [#]	2	No
11.	Mr. Nafees Ahmed (DIN:03496241)*	0	No

**During the FY 2022-23, Ms. Preetinder Virk (DIN: 02398827), Mr. Ajit Kumar Mittal (DIN: 02698115), Mr. Nafees Ahmed (DIN: 03496241), Mr. Vipin Chaudhary (DIN: 09588893), ceased to be Non-Executive Directors of the Company with effect from April 4, 2022, April 26, 2022, July 1, 2022 and November 28, 2022 respectively and Mr. Pinank Jayant*

Shah (DIN: 07859798) ceased to be as Whole time Director & CEO of the Company with effective from January 01, 2023.

#During the FY 2022-23, Ms. Ritu Kapoor Puri (DIN: 09559548), was appointed as a whole-time director and key managerial personnel of the company w.e.f. April 4, 2022, Mr. Akhil Gupta (DIN: 09285050) was appointed as a Non-Executive director of the Company w.e.f. April 26, 2022, Mr. Vipin Chaudhary (DIN: 09588893) was appointed as a Non-Executive director of the Company w.e.f. July 01, 2022, Mr. Akshay Kumar Tiwary (DIN: 00366348) was appointed as a Non-Executive director of the Company w.e.f. November 28, 2022 and Mr. Sanjeev Kashyap (DIN: 03405178) appointed as a Whole time Director & CEO of the Company w.e.f. January 01, 2023.

2. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR and RBI Act.

The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under:

(A) Audit Committee Composition

Composition

The Audit Committee comprises of three members, namely, Brig. Labh Singh Sitara (Retd.) (Independent Director) as the Chairman and Dr. Narendra Damodar Jadhav (Independent Director) and Mr. Sanjeev Kashyap (Executive Director) as members, as other two members. Further, Mr. Rajeev Lochan Agrawal and Ms. Sargam Kataria shall be permanent invitees and Mr. Manish Rustagi shall act as the Secretary to the Audit Committee.

Terms of reference of the Audit Committee

To oversee the financial reporting process and disclosure of financial information;

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions and regulatory requirements on Balance Sheet Disclosures;
- To hold discussions with the Auditors;
- Review and monitoring of the auditor' independence and performance and effectiveness of the audit process;
- Examination of the auditor' report on financial statements of the Company (in addition to the examination of the financial statements) before submission to the Board;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings and assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing the utilization of the funds so raised for purposes other than those stated in the relevant offer document, if any, and making appropriate recommendations to the Board in this regard;
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the whistle blower mechanism; and

- Approval to the appointment of the Chief Financial Officer after assessing the qualifications , experience and background etc. of the candidate.
- Review of information system audit of the internal systems and processes to access the operational risks faced by the Company and also ensures that the information system audit of the internal systems and processes is conducted periodically.

Meetings and Attendance during the year

During the financial year ended March 31, 2023 the Committee met four times. The dates of the meetings being May 30, 2022, August 12, 2022, November 11, 2022 and February 10, 2023.

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.)	Chairman, Non- Executive Independent Director	4	4
Dr. Narendra Damodar Jadhav	Member, Non- Executive Independent Director	4	4
Mr. Ajit Kumar Mittal [§]	Member, Non- Executive Director	4	0
Mr. Akhil Gupta [#]	Member, Non- Executive Director	4	3
Mr. Sanjeev Kashyap [#]	Member, Executive Director	4	1

[§]Mr. Ajit Kumar Mittal had ceased to be the member of the Committee w.e.f. April 26, 2022.

[#] Mr. Akhil Gupta and Mr. Sanjeev Kashyap were appointed as the members of the Committee w.e.f April 26, 2022 and January 01, 2023 respectively.

(B) Nomination & Remuneration Committee Composition

Composition

The Nomination & Remuneration Committee comprises of three members, namely, Brig. Labh Singh Sitara (Retd.) (Independent Director) as the Chairman, and Dr. Narendra Damodar Jadhav (Independent Director) and Mr. Akshay Kumar Tiwary, Non-Executive Director, as other two members.

Terms of reference

The terms of reference of Nomination & Remuneration Committee, inter-alia, include:

- To ensure ‘fit and proper’ status of all the directors on a continuing basis;
- To identify and advice Board in the matter of appointment of new Directors and senior management personnel’s;
- To recommend to the Board, appointment, removal and compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company’s Policy on the remuneration of Executive Directors; and
- To review the evaluation of director’s performance.

Meetings and Attendance during the year

During the financial year ended March 31, 2023 the Committee met Seven times. The dates of the meetings being April 04, 2022, April 26, 2022, July 01, 2022, August 11, 2022, August 28, 2022, January 01, 2023 and March 06, 2023.

The attendance of Committee members in these meetings is as under:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.)	Chairman, Non- Executive/ Independent Director	7	7

Dr. Narendra Damodar Jadhav	Member, Non- Executive/ Independent Director	7	7
Mr. Nafees Ahmed [§]	Member, Non- Executive Director	7	1
Mr. Vipin Chaudhary [#]	Member, Non- Executive Director	7	1
Mr. Akshay Kumar Tiwary [^]	Member, Non- Executive Director	7	2

[§]Mr. Nafees Ahmed ceased to be the member of the committee w.e.f. July 01, 2022

[#]Mr. Vipin Chaudhary was appointed as the member of the Committee w.e.f. July 01, 2022 and ceased to be the member of the Committee w.e.f. November 28, 2022.

[^]Mr. Akshay Kumar Tiwary was appointed as the member of the committee w.e.f. July 01, 2022.

Policy for selection and appointment of Directors

The (N&R Committee) has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Directors/KMP and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, taxation, law, governance and general management.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

Evaluation of the Board and Directors

The Independent Directors play a key role in the decision-making process of the Board as they approve the overall strategy of the Company and oversee performance of the management. The Independent Directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors bring a wide range of experience, knowledge and judgment. Their wide knowledge of both, their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced outlook. All Independent Directors have committed and allocated sufficient time to perform their duties effectively. All the Independent Directors of the Company have confirmed that they have registered themselves in the databank created for Independent Directors, well within the stipulated time frame.

The performance evaluation criteria for Independent Directors is based on various factors which includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s)/Chairman. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/ members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest. On the basis of these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Directors was carried out by the Independent

Directors in their meeting held on March 10, 2023. The Directors expressed their satisfaction with the evaluation process.

(C) Stakeholders Relationship Committee Composition

Composition

The Stakeholders Relationship Committee comprises of 3 members, namely, Mr. Akshay Kumar Tiwary, Non-Executive Director as the Chairman, and Brig. Labh Singh Sitara (Retd.), Independent Director and Ms. Sargam Kataria, Non-Executive Director, as other two members.

Terms of Reference

- To approve requests for share transfers and transmissions.
- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Meetings and Attendance during the year

During the financial year ended March 31, 2023 the Committee met four times. The dates of the meetings being May 29, 2022, August 11, 2022, November 10, 2022 and February 09, 2023.

The attendance of Committee members in these meetings is as under:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Akshay Kumar Tiwary [^]	Chairman, Non- Executive	4	1
Brig. Labh Singh Sitara (Retd.) [§]	Member, Non-Executive Director	4	4
Ms. Preetinder Virk [#]	Member, Non- Executive/ Independent Director	4	0
Mr. Nafees Ahmed [*]	Member, Non- Executive/ Independent Director	4	1
Ms. Ritu Kapoor Puri [@]	Member, Executive Director	4	4
Mr. Vipin Chaudhary ^{**}	Member, Non- Executive Director	4	2

[#]Ms. Preetinder Virk ceased to be the member of the Committee w.e.f. April 04, 2022.

[@]Ms. Ritu Kapoor Puri was appointed as member of the company w.e.f. April 04, 2022.

^{*}Mr. Nafees Ahmed ceased to be the member of the committee w.e.f. July 01, 2022.

^{**}Mr. Vipin Chaudhary was appointed as the member of the Committee w.e.f. July 01, 2022 and ceased to be the member of the Committee w.e.f. November 28, 2022.

[^]Mr. Akshay Kumar Tiwary was appointed as member w.e.f. 28 November, 2022 and Chairman w.e.f. 01 January, 2023.

[§]Brig. Labh Singh Sitara (Retd.) ceased to be Chairman and continued as member w.e.f. 01 January, 2023.

Name and designation of the Compliance Officer: Mr. Manish Rustagi, Company Secretary is the

Compliance Officer pursuant to Regulation 6(1) of SEBI Listing Regulations.

- i. During FY 2022-23, no complaints were received from the Equity Shareholders of the Company.
- ii. Details of queries / complaints received and resolved pertaining to Non-Convertible Debentures of the Company during the year 2022-23:-

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	7	7	0
3	Status of applications lodged for public issue(s)	0	0	0	0
4	Non-receipt of Interest/Redemption	0	158	158	0
5	Non-receipt of annual report	0	0	0	0
6	Non-receipt of Refund order	0	0	0	0
7	Non-credit/receipt of NCDs in demat account	0	0	0	0
8	Non-receipt of securities after transfer	0	3	3	0
	Total	0	168	168	0

(D) Integrated Risk Management Committee Composition

Composition

The Risk Management Committee comprises of seven members, namely, Mr. Akshay Kumar Tiwary, Non-Executive Director as the Chairman, Brig. Labh Singh Sitara (Retd.), Mr. Sanjeev Kashyap, Ms. Sargam Kataria, Mr. Amit Kindo, Mr. Rajeev Lochan Agrawal and Mr. Amit Mittal, as other members.

Terms of reference of the Integrated Risk Management Committee

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of Customer complaints received by Regulators, Courts, Legal body or internal complaints.
- Review of Grievance Redressal Mechanism and Customers Services.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Review of Branch Audit Report/Concurrent Audit Report of Treasury.
- Review Compliances of lapses.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities for various types/values of loans.
- Any other matter involving Risk to the asset /business of the Company.
- Evaluation of the risk management systems (in addition to the internal control systems).

During the financial year ended March 31, 2023 the Committee met Twelve times. The dates of the meetings being May 09, 2022, June 30, 2022, August 26, 2022, September 26, 2022, October 28, 2022, November 28, 2022, December 20, 2022, January 15, 2023, January 30, 2023, February 11, 2023, March 21, 2023 and March 31, 2023:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Ajit Kumar Mittal [§]	Member, Non-Executive Director	12	0
Mr. Amit Ajit Gandhi [*]	Member, Non-Executive Director	12	7
Mr. Sanjeev Kashyap	Member, Executive Director	12	12
Mr. Mahesh Arora [*]	Member	12	7
Mr. Manish Rustagi [*]	Member	12	7
Mr. Akhil Gupta [^]	Member, Non-Executive Director	12	7
Mr. Nikhil Chari ^{**}	Member	12	5
Mr. Akshay Kumar Tiwary [#]	Chairman, Non-Executive Director	12	5
Brig. Labh Singh Sitara (Retd.) ^{##}	Member, Non-Executive Director	12	5
Ms. Ritu Kapoor Puri ^{##}	Member, Executive Director	12	5
Mr. Amit Kindo ^{##}	Member	12	5
Mr. Rajeev Lochan Agrawal ^{##}	Member	12	5
Mr. Sumit Garg ^{##}	Member	12	5

[§]Mr. Ajit Kumar Mittal ceased to be the Chairman of the committee w.e.f. April 26, 2022.

[^]Mr. Akhil Gupta was appointed as Chairman of the committee w.e.f. April 26, 2022 and ceased to be the Chairman of the committee w.e.f. January 01, 2023.

^{**}Mr. Nikhil Chari was appointed as member of the committee w.e.f. July 01, 2022 and ceased to be the member of the committee w.e.f. January 01, 2023.

[#]Mr. Akshay Kumar Tiwary was appointed as Chairman of the committee w.e.f. January 01, 2023.

^{*}Mr. Amit Ajit Gandhi, Mr. Mahesh Arora, Mr. Manish Rustagi ceased to be the members of the committee w.e.f. January 01, 2023.

^{##}Brig. Labh Singh Sitara (Retd.), Ms. Ritu Kapoor Puri, Mr. Amit Kindo, Mr. Rajeev Lochan Agrawal and Mr. Sumit Garg were appointed as members of the committee w.e.f. January 01, 2023.

(E) Corporate Social Responsibility (CSR) Committee Composition

Composition

The CSR Committee comprises of three members, namely, Mr. Akshay Kumar Tiwary, Non-Executive Director, as the Chairman, Brig. Labh Singh Sitara (Retd.), Independent Director and Ms. Sargam Kataria, Non-Executive Director, as other two members.

The Terms of reference of the CSR Committee inter-alia, include:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity; and
- To ensure compliance of all related applicable regulatory requirements.

Meetings and Attendance during the year

During the financial year ended March 31, 2023 the Committee met once. The date of the meeting being August 05, 2022.

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.), Member [§]	Non- Executive/ Independent Director	1	1
Mr. Ajit Kumar Mittal, Member [*]	Non- Executive Director	1	0
Mr. Pinank Jayant Shah, Member ^{##}	Executive Director	1	1
Ms. Preetinder Virk, Member [#]	Non- Executive Director	1	0
Mr. Akhil Gupta, Member ^{**}	Non- Executive Director	1	1
Ms. Ritu Kapoor Puri,	Executive Director	1	1

Member [@]			
Mr. Akshay Kumar Tiwary, Chairman [^]	Non- Executive Director	1	0

[#]Ms. Preetinder Virk ceased to be the member of the Committee w.e.f. April 04, 2022.

[@]Ms. Ritu Kapoor Puri was appointed as member of the company w.e.f. April 04, 2022.

*Mr. Ajit Kumar Mittal ceased to be the member of the committee w.e.f. April 26, 2022.

**Mr. Akhil Gupta was appointed as member of the committee w.e.f. April 26, 2022 and ceased to be the member of the committee w.e.f. January 01, 2023.

^{##}Mr. Pinank Jayant Shah ceased to be the member of the committee w.e.f. January 01, 2023.

[^]Mr. Akshay Kumar Tiwary was appointed Chairman of the committee w.e.f. 01 January, 2023.

^{\$}Brig. Labh Singh Sitara (Retd.) ceased to be Chairman and continued as member w.e.f. 01 January, 2023.

Note: There being no CSR contribution applicable for FY 2022-23, CSR Committee did not meet again during FY 2022-23.

4. Director's Remuneration:

(a) Non-Executive Directors:

During the Financial Year ended March 31, 2023, the Non- Executive Independent Directors have been paid, sitting fees for attending the Board meetings of the Company, and profit linked incentives in term of the shareholders authorization, the details of which are available on the website of the Company at https://www.dhanioloansandservices.com/policies/Form_MGT_7_DLSSL_2023_w.pdf.

The Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate companies, other than in the normal course of business.

(b) Remuneration paid to Executive Directors and CEO

Details of remuneration paid to the Executive director(s) during the year under review are provided in the Annual Return as on March 31, 2023, which is available on the Company's website at https://www.dhanioloansandservices.com/policies/Form_MGT_7_DLSSL_2023_w.pdf.

5. General Body Meetings

(A) Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	Number of special resolutions passed
2019-20	26th AGM	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001	September 23, 2020	3.00 P.M.	One
2021-22	27th AGM	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001	August 13, 2021	5.30 P.M.	Two
2022-23	28 th AGM	1/1E, First Floor, East Patel Nagar, New Delhi, West Delhi -110008	September 29, 2022	11:30 A.M.	Four

(B) Extraordinary General Meeting ("EGM"):

EGM were held on:

1. May 30, 2022 at 9:30 A.M at registered office 1/1E, First Floor, East Patel Nagar, New Delhi, West Delhi -110008 for waiver of excess managerial remuneration paid to Mr. Pinank Jayant shah, Whole-Time Director, (DIN: 07859798).
2. July 02, 2022 at 4:30 P.M at registered office 1/1E, First Floor, East Patel Nagar, New Delhi, West Delhi -110008 for Appointment of Ms. Ritu Kapoor Puri (DIN: 09559548)

as Whole-Time Director and Key Managerial Personnel designated as Executive Director, Mr. Akhil Gupta (DIN: 09285050) and Mr. Vipin Chaudhary (DIN: 09588893) as Non-Executive Directors of the Company.

3. February 20, 2023 at 2:30 P.M at registered office 1/1E, First Floor, East Patel Nagar, New Delhi, West Delhi -110008 for Appointment Mr. Sanjeev Kashyap (DIN: 03405178) as Whole-Time Director and Key Managerial Personnel designated as Executive Director and Mr. Akshay Kumar Tiwary (DIN: 00366348) as Non-Executive Director of the Company.

(C) Postal Ballot during the FY 2022-23:

During the year 2022-23, no resolution was passed by the Company through Postal Ballot. No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Company.

6. Means of Communication

The Investor Information & Financials sections on the Company's website <https://www.dhaniloansandservices.com/> keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc.

7. General Shareholders Information

(A) Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U74899DL1994PLC062407.

(B) Date, Time and Venue of AGM

The 29th AGM of the Company would be held on the day, date and time as mentioned in the Notice convening the said AGM.

(C) Financial year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

(D) Dividend Payment Date:

The Company has not declared any dividend during the financial year 2022-23.

(E) Listing on Stock Exchanges

The Equity Shares of the Company are not listed. Only Secured Redeemable Non-Convertible Debentures (NCDs), issued through public issue are list on National Stock Exchange of India and BSE Limited:

BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd (NSE) “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
---	---

The listing fees for the financial year 2022-2023 & 2023-24, have been paid to BSE and NSE.

**(F) Stock Code/S: NSE: DHANILOANS
BSE: 936498**

(G) Market Price data- high, low during each month in last financial year – Not Applicable

(H) Market Price data- high, low during each month in last financial year – Not Applicable

(I) Performance of the Company's share in comparison to broad-based indices –Not Applicable

(J) In case of securities are suspended from trading, the directors report shall explain the reason thereof – Not Applicable

(K) Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. 99.99 % equity shares of the Company are in dematerialized form, hence, transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Distribution of shareholding as on March 31, 2023 – Not Applicable (Dhani Loans and Services Limited is wholly owned subsidiary of Dhani Services Limited)

(L) Registrar and Transfer Agents

KFin Technologies Limited

(Formerly known as KFin Technologies Private Limited)

Unit: Dhani Loans and Services Limited

Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad – 500 032, Telangana

Toll free number - 1- 800-309-4001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com and <https://ris.kfintech.com/>

(ii) Shareholding pattern as on March 31, 2023

Dhani Services Limited holds 6,11,88,000 Equity Shares of Rs. 10 each along with its 6 nominees holding one equity share each.

(M) Dematerialization of shares and liquidity

99.99% Equity shares of the Company are in dematerialized form as on March 31, 2023. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE614X01012.

(N) Outstanding global depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

(O) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

(P) Plant Locations: Not Applicable

(Q) Address for Correspondence

(i) Registered Office:

1/1 E, First Floor,

East Patel Nagar,

New Delhi-110008,

Email: support@dhani.com

Tel: 011- 41052775, Fax: 011- 42137986

Website: www.dhani loans and services.com

(ii) Corporate Office:

One International Centre (Formerly IFC),

Senapati Bapat Marg, Elphinstone Road,

Mumbai – 400 013

(R) Debenture Trustees

(I) IDBI Trusteeship Services Limited

17, R. Kamani Marg, Ballard Estate,

Mumbai – 400 001
Tel: 022 40807000
Fax: 022 66311776

Email: itsl@idbitrustee.com
Website: www.idbitrustee.co

(II) Beacon Trusteeship Limited
4 C&D, Siddhivinayak Chambers,
Opp. MIG Cricket Club, Gandhi Nagar,
Bandra (East), Mumbai- 400 051
Telephone No: 022 2655 8759
Email: contact@beacontrustee.co.in
Website: www.beacontrustee.co.in

(S) Profiles of the directors seeking appointment / re-appointment have been captured in the Notice convening the 29th AGM of the Company.

(T) Credit Ratings and Change/ Revisions in Credit Ratings for Debt Instruments:-

As on March 31, 2023, Dhani Loans and Services Limited [DLSL] has Long term credit rating of BWR A+ (CWD) rating from Brickwork Ratings, IVR A (CWD) rating from Infomerics Valuation and Rating & CARE BB+ (Stable) rating from CARE Ratings.

(U) Details of utilization of funds raised through preferential allotment or qualified institutions placement – Not Applicable

(V) Other Disclosures

Particulars	Details
Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;	There were no material related party transactions during the year that have a conflict with the interest of the Company. Further, the Company also has a policy on dealing with related party transactions which is disclosed on its website at https://www.dhani loansandservices.com/policies/DLSL-Policy-on-Related-Party-Transactions.pdf
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets, during the last three years;	<p>i. During the financial year 2021-22 the Company received notice from NSE and BSE for Non Compliance with Regulation 54(2) of SEBI (LODR) Regulations, 2015 – Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements and imposed penalty of Rs. 24,840 /-. The company paid the said penalty to both NSE and BSE.</p> <p>ii. During the financial year 2022-23 the Company had Clarified its stand w.r.t observations of NSE and BSE on few filings under Regulation 52(7)/(7A), 57(1) and 60(2) of SEBI (LODR) Regulations, 2015 and waiting for comments of the Stock Exchanges. No fines have been paid in the Financial year under review on said observations.</p> <p>iii. During the financial year 2022-23 the Company paid a fine of Rs. 7.60 lacs to RBI for the penalty imposed by RBI on the Company w.r.t non-compliance of the “Reserve Bank of India [Know Your Customer (KYC)] Directions, 2016”.</p>
Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;	The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.The details of the Whistle Blower Policy are available on the website of the Company at https://www.dhani loansandservices.com/whistleblower-policy .
Details of compliance with mandatory requirements and adoption of the non- mandatory requirements;	Details of compliance with non-mandatory and mandatory requirements are mentioned in point no. 9 and 10 of this report respectively.
Web link where policy for determining ‘material’ subsidiaries is disclosed;	The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the web link https://www.dhani loansandservices.com/policies-and-codes .
Web link where policy on dealing with related party transactions	The Company has a policy on dealing with related party transactions which is disclosed on its website at https://www.dhani loansandservices.com/policies/DLSL-Policy-on-Related-Party-Transactions.pdf

Disclosure of commodity price risks and commodity hedging activities	Not Applicable														
Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A).	Not Applicable														
Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority	The Company has obtained certificate from Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as Annexure I .														
Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:	The Board had accepted all recommendations of committees of the Board which are mandatorily required, during the financial year 2022-23.														
Total fees for all services paid by the listed entity and its subsidiaries (excluding GST), for FY 2022-23, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	<p>The particulars of payment of fees to Statutory Auditors is given below:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td>(i) Audit fees</td> <td>35,00,000</td> </tr> <tr> <td>(ii) Certification Fee</td> <td>-</td> </tr> <tr> <td>(iii) Out of pocket expenses</td> <td>-</td> </tr> <tr> <td>(iv) In connection with the issue of securities</td> <td>5,00,000</td> </tr> <tr> <td>Total</td> <td>40,00,000/-</td> </tr> </tbody> </table> <p>Further, no fees were paid to any entity in the network firm/network entity of which the Statutory Auditor is a part.</p>			Particulars	Amount(Rs.)	(i) Audit fees	35,00,000	(ii) Certification Fee	-	(iii) Out of pocket expenses	-	(iv) In connection with the issue of securities	5,00,000	Total	40,00,000/-
Particulars	Amount(Rs.)														
(i) Audit fees	35,00,000														
(ii) Certification Fee	-														
(iii) Out of pocket expenses	-														
(iv) In connection with the issue of securities	5,00,000														
Total	40,00,000/-														
Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Number of complaints filed during the financial year.	Number of complaints disposed of during the financial year.	Number of complaints pending as on end of the financial year.												
	Nil	NA	NA												
Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'	All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. Further, Your Directors wish to draw attention of the members to Notes to the financial statement which sets out related party disclosures.														
Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.	Name	Date & Place of Incorporation	Name & Date of appointment of Auditors												
	Indiabulls Distribution Services	June 11, 2009 & New Delhi	Ajay Sardana & Associates & September 27,												

	Limited		2019
	Transerv Limited	December 24, 2010 & Mumbai	Ajay Sardana & Associates & September 27, 2019
Familiarization Program: Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at https://www.dhanioloansandservices.com/policies/DLSL-Board-Familiarisation-Programme.pdf			
Summary Minutes	A summary of the minutes of the meetings of the Board of the subsidiary companies is placed before the Board for noting on a quarterly basis.		

Unclaimed Amount

8. As on March 31, 2023, there was no unpaid amount with respect to the Interest / Dividend /Redemption of NCDs of the Company.
9. Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed:
The composition of the Board is in compliance with the requirements under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) relating to Board composition which have been made applicable to High Value Debt Listed entities.
10. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II

i. Unqualified Financial Statements:

It has been the endeavor of the Company to have its accounting systems and controls to ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report on the audited accounts of the Company. The Auditors’ Report on the audited annual accounts of the Company for the FY 2022-23 contains a qualification on which Management response has been adequately captured in the Boards’ Report forming part of this Annual Report.

ii. The Internal Auditor of the Company directly reports to Audit Committee of the Company:

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI LODR Regulations.

11. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (a) to (i) of Regulation 62 (1A) of SEBI Listing Regulations shall be made in the section on corporate governance of the annual report.

The Company is in compliance with/is in the process of complying with all the mandatory requirements specified in Regulation 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 which have become applicable to the Company as a High Value Debt Listed Entity (“HVDLE”) w.e.f September 7, 2021 on a ‘comply or explain’ basis until March 31, 2024.

12. Declaration signed by the CEO and CFO stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The Company has adopted a Code of Conduct for its employees including the Whole Time Director & CEO. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website <https://www.dhaniloansandservices.com/policies/DLSL-Code-of-Conduct-of-the-Board-of-Directors-and-Senior-Management-Personnel.pdf>.

All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with the respective Codes. A declaration signed by the CEO and CFO to this effect is reproduced at the end of this report and marked as **Annexure II**.

13. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

The Company has obtained compliance certificate from the Practising Company Secretaries on corporate governance. The same is reproduced at the end of this report and marked as **Annexure-III**

14. Disclosures with respect to demat suspense account / unclaimed suspense account: Not Applicable

CERTIFICATE

(pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Dhani Loans and Services Limited
1/1E, First Floor, East Patel Nagar,
New Delhi West Delhi-110008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dhani Loans and Services Limited** having CIN **U74899DL1994PLC062407** and having registered office at 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi-110008. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company*	Date of Cessation in the Company
1.	Mr. Pinank Jayant Shah	07859798	14/09/2017	01/01/2023
2.	Ms. Preetinder Virk	02398827	04/12/2018	04/04/2022
3.	Ms. Ritu Kapoor Puri	09559548	04/04/2022	31/07/2023
4.	Mr. Ajit Kumar Mittal	02698115	14/09/2017	26/04/2022
5.	Mr. Akhil Gupta	09285050	26/04/2022	05/04/2023
6.	Mr. Nafees Ahmed	03496241	14/09/2017	01/07/2022
7.	Mr. Vipin Chaudhary	09588893	01/07/2022	28/11/2022
8.	Mr. Akshay Kumar Tiwary	00366348	28/11/2022	-
9.	Mr. Sanjeev Kashyap	03405178	01/01/2023	-
10.	Dr. Narendra Damodar Jadhav	02435444	17/11/2020	-
11.	Brig. Labh Singh Sitara (Retd.)	01724648	14/09/2017	-
12.	Mr. Amit Ajit Gandhi	07606699	05/04/2023	-
13.	Ms. Sargam Kataria	07133394	01/08/2023	-

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sukesh & Co.
Company Secretaries

Sd/-
CS Sukesh Saini
Membership No.: F11688
CP No. 12007
UDIN: F011688E000764737
Date: August 08, 2023
Place: Gurgaon

CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Dhani Loans and Services Limited

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
 - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 26, 2023
Place: Gurugram

Sd/-
Sanjeev Kashyap
Chief Executive Officer

Sd/-
Rajeev Lochan Agrawal
Chief Financial Officer

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To
The Members
Dhani Loans and Services Limited
1/1E, First Floor, East Patel Nagar,
New Delhi -110008

We have examined the compliance of conditions of Corporate Governance by Dhani Loans and Services Limited (“**the Company**”), for the year ended March 31, 2023, as prescribed in Regulations 17 to 27, 62(1A) and para A, C, D & E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and as made applicable to the Company effective September 7, 2021 on a comply or explain basis until March 31, 2024.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company’s management and, our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sukesh & Co.
Company Secretaries

Sd/-
CS Sukesh Saini
Membership No.: F11688
CP No. 12007
UDIN: F011688E000764407
Date: August 08, 2023
Place: Gurgaon

Independent Auditor's Report

**To The Members of Dhani Loans and Services Limited
(formerly Indiabulls Consumer Finance Limited)**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As more fully explained in Note 22(i) to the accompanying Standalone Financial Statements, the Company has utilised/ applied an amount of Rs. 72,961.20 lakhs (net of deferred tax) from the outstanding balance in the securities premium account for creating a provision for impairment losses on financial instruments instead of debiting the same to the Standalone Statement of Profit and Loss, which is not in strict accordance with the applicable Indian Accounting Standards and other applicable regulations. Consequently, the Company's net loss and total comprehensive loss for the year ended March 31, 2023 are understated by the aforesaid amount. There is no resultant impact on the carrying value of the total equity, assets and liabilities of the Company.

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's) 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 Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

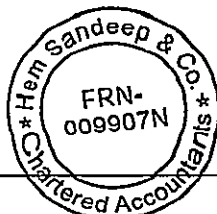


Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key Audit Matters	Auditor's Response
<p>a) Impairment of Loans (expected credit loss - ECL) (Refer notes 6 and 50 to the Standalone Financial Statements)</p> <p>In accordance with the requirements of Ind AS 109, the Company is required to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves an estimation of the probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <p>(i) Classification and staging of loan portfolio, and estimation of behavioural life.</p> <p>(ii) Estimation of losses in respect of those classes of loans which had no or minimal historical defaults.</p> <p>(iii) Management overlay for macro-economic factors and estimation of their impact on the credit quality of the loans. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none">• Read and assessed the Company's accounting policies for the process of estimation of impairment of financial assets and whether such policy was in accordance with the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to the applicable Reserve Bank of India guidelines/directions.• Evaluated the appropriateness of the Company's assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability of default (PD) and loss-given default (LGD) rates.• Tested the operating effectiveness of the controls for application of the staging criteria. Assessed the additional considerations applied by the Management for staging of loans.• Performed tests (on sample basis) to verify the completeness and accuracy of the input data used to determine the PD and LGD rates and agreed such data with the underlying books of accounts and records.



Key Audit Matters (continued)	
Key Audit Matters	Auditor's Response
<p>a) Impairment of Loans (expected credit loss - ECL) (Refer notes 6 and 50 to the Standalone Financial Statements) (continued)</p> <p>(v) The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p> <p>The Company has developed a financial model that derives key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of such model is then applied to the calculation for the provision for expected credit loss calculation with other information including the exposure at default (EAD).</p> <p>Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.</p>	<p>Principal audit procedures (continued)</p> <ul style="list-style-type: none"> • Performed inquiries with the Company's management to assess the impact of macro-economic factors on the current economic environment and business activities of the Company. • Tested the arithmetical accuracy of calculation of the provision for ECL performed by the Company. • Tested assumptions used by the management in determining the overlay for macro-economic factors . • Tested key controls and details over restructuring process in respect of eligibility, approval and modification of terms. • Assessed the appropriateness and sufficiency of disclosures in the Standalone Financial Statements in respect of provision for ECL.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or, otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Management's Responsibilities for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



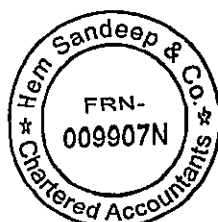
Report on Other Legal and Regulatory Requirements (continued)

- g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has taken requisite approvals in the extra-ordinary general meeting of its members on May 24, 2023, in respect of remuneration paid to a Whole Time Director during the year ended March 31, 2023 which was in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

- 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the Standalone Financial Statements.
- 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
 - (c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
- vi. The Company has not declared/paid any dividend during the year and subsequent to the year-end.




Report on Other Legal and Regulatory Requirements (continued)

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

For Hem Sandeep & Co.

Chartered Accountants

ICAI Firm registration number: 009907N

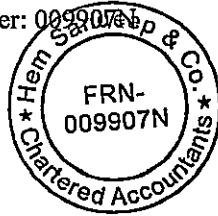


per Ajay Sardana
Partner

Membership No. 089011

New Delhi, May 26, 2023

UDIN: 23089011BGYEYK6160



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (the “Company”) as at March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company 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 (the “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 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 Act.

Auditor’s Responsibility

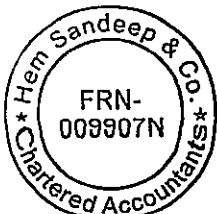
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:



Meaning of Internal Financial Controls over Financial Reporting (continued)

(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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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


Opinion

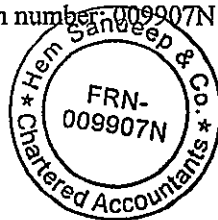
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

For Hem Sandeep & Co.

Chartered Accountants

ICAI Firm registration number-009907N


per Ajay Sardana
Partner



Membership No. 089011

New Delhi, May 26, 2023

UDIN: 23089011BGYEYK6160

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) of even date)

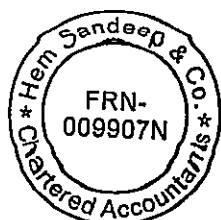
To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment and intangible assets:
 - (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 intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Standalone Financial Statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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 is engaged in the business of a non-banking finance company and does not hold any physical inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) The Company has been sanctioned working capital limits in excess of Rs. five crores, in aggregate, during the year, from a bank on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, we have not observed any material differences in information submitted in the quarterly returns or statements filed by the Company with such bank and unaudited books of account and other relevant information provided by the Company.
- iii. During the year, the Company has granted loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. The Company has not made any investments in and has not provided any guarantee or security to any other entity during the year. With respect to such loans and advances:
 - (a) The Company is registered as a Non-Banking Finance Company engaged in the primary business of financing/ granting loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (continued)

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3 (j) to the Standalone Financial Statements, explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, read with Notes 6 and 50 to the Standalone Financial Statements, loan assets with balances as at March 31, 2023 aggregating Rs. 5,842.33 lakhs were categorized as credit impaired ("Stage 3") and Rs. 5,827.89 lakhs were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6, read with Note 50, to the Standalone Financial Statements. Additionally, out of total loans and advances in the nature of loans, balances as at the year-end aggregating Rs. 1,30,244.40 lakhs, where credit risk has not significantly increased since initial recognition were categorized as "Stage 1". Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause). Further, except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging in note 6 and 50 to the Standalone Financial Statements in accordance with Indian Accounting Standards (Ind AS) and the applicable directions/ guidelines issued by the Reserve Bank of India, in all other cases, the repayment of principal and interest is regular, as applicable.
- (d) According to the information and explanations given to us and upon consideration of management's representations and other relevant evidence, and based on the audit procedures conducted by us, in our opinion, the Company, in pursuance of applicable compliances prescribed under the Act and applicable directions/ guidelines issued by the Reserve Bank of India, particularly relating to Income Recognition, Asset Classification and Provisioning Norms, monitors and reports the total amount overdue including principal and/or interest for more than ninety days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 6 and 50 to the Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as stipulated. However, reasonable steps are taken by the Company for recovery thereof.
- (e) The Company is registered as a Non-Banking Finance Company engaged in the primary business of financing/ granting of loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) According to information and explanations given to us and based on the audit procedures performed, 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 during the year. Hence, reporting under clause (iii) (f) is not applicable.



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Continued)

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:

(a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company 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 on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as below:

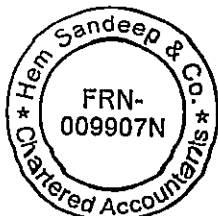
Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 95.04 lakhs	Financial year 2012-2013 (Assessment year 2013-14)	ITAT, Delhi

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan during the year. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained in respect of term loans outstanding at the beginning of the year.



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (continued)

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended March 31, 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- x. (a) The moneys raised during the year by way of public issue of non-convertible debentures were applied by the Company for the purpose for which those funds were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the Company amounting to Rs. 5,408.74 lakhs (Refer Note 51 viii) to the Standalone Financial Statements). No fraud by the Company has been noticed or reported during the year. We have not been informed of any such case by the management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit is performed as per a planned program approved by the Audit Committee of the Board of Directors of the Company. We have considered the internal audit reports for the year under audit, issued to the Company during the year.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (continued)

- xvi. (a) According to the information and explanations given to us, the Company is engaged in the business of Non-Banking Financial Institution as defined under section 45-IA of Reserve Bank of India Act, 1934 ("RBI Act") and is duly registered under section 45-IA of the RBI Act, holding certificate of registration (CoR) as a Non-Banking Financial Institution without accepting public deposits under section 45-IA of the said RBI Act.
- (b) In our opinion and according to the information and explanations given to us, the Company has conducted its business activities of a Non-Banking Financial Company and is duly registered under section 45-IA of the RBI Act, holding certificate of registration (CoR) as a Non-Banking Financial Institution without accepting public deposits under section 45-IA of the said RBI Act.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC as part of the Group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern as disclosed in the Notes to the Standalone Financial Statements, other information accompanying the Standalone Financial Statements 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, the provisions related to corporate social responsibility in terms of section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Hem Sandeep & Co.

Chartered Accountants

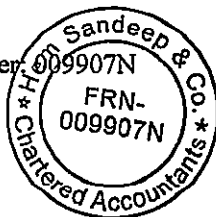
ICAI Firm registration number: 009907N

per Ajay Sardana
Partner

Membership No. 089011

New Delhi, May 26, 2023

UDIN: 23089011BGYEEK6160



DHANI LOANS AND SERVICES LIMITED
Standalone Balance Sheet as at 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

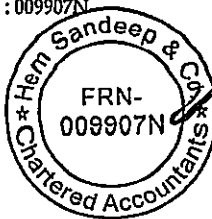
	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	4	11,025.35	41,959.90
(b) Bank balance other than cash and cash equivalents	5	3,199.08	14,975.06
(c) Loans	6	1,36,722.99	3,34,454.23
(d) Investments	7	1,36,074.85	1,56,351.43
(e) Other financial assets	8	2,198.60	3,120.59
Total financial assets		2,89,220.87	5,50,861.21
2 Non-financial assets			
(a) Current tax assets (net)	9	17,163.85	15,700.69
(b) Deferred tax assets (net)	10	47,187.74	17,035.56
(c) Property, plant and equipment	11(a)	5,659.29	8,370.23
(d) Right-of-use assets	11(b)	3,973.95	17,032.76
(e) Intangible assets under development	11(c)	317.19	462.18
(f) Other intangible assets	11(d)	3,599.21	4,355.81
(g) Other non-financial assets	12	3,039.63	5,235.42
Total non-financial assets		80,940.86	68,192.65
TOTAL ASSETS		3,70,161.73	6,19,053.86
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Payables			
(I) Trade payables	13		
(i) Dues of micro enterprises and small enterprises		-	-
(ii) Other than micro enterprises and small enterprises		1,030.00	1,097.24
(II) Other payables	14		
(i) Dues of micro enterprises and small enterprises		-	-
(ii) Other than micro enterprises and small enterprises		4,671.16	8,734.96
(b) Debt securities	15	32,097.24	54,506.33
(c) Borrowings (other than debt securities)	16	7,194.91	1,17,746.19
(d) Lease liabilities	17	4,564.58	18,389.53
(e) Others financial liabilities	18	7,086.36	13,223.33
Total financial liabilities		56,644.25	2,13,697.58
2 Non-financial liabilities			
(a) Provisions	19	1,812.78	1,556.22
(b) Other non-financial liabilities	20	969.24	2,534.11
Total non-financial liabilities		2,782.02	4,090.33
3 EQUITY			
(a) Equity share capital	21	6,118.80	6,118.80
(b) Other equity	22	3,04,616.66	3,95,147.15
Total equity		3,10,735.46	4,01,265.95
TOTAL LIABILITIES AND EQUITY		3,70,161.73	6,19,053.86

The accompanying notes form an integral part of these Standalone Financial Statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Hem Sandeep & Co
Chartered Accountants
ICAI Firm registration no. : 009907N

Ajay Sardana
Partner
Membership No.: 089011



For and on behalf of the board of directors

Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178

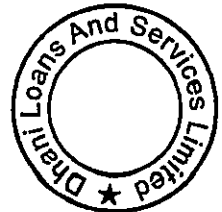
Akshay Kumar Tiwary
Director
DIN: 00366348

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: New Delhi
Date: 26 May 2023

Place: Gurugram
Date: 26 May 2023



DHANI LOANS AND SERVICES LIMITED
Standalone Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

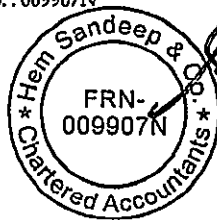
Particulars	Notes	Year ended	Year ended
		31 March 2023	31 March 2022
I Income from operations			
(i) Interest income	23	13,976.55	41,386.63
(ii) Fees and commission income	24	19,630.00	37,914.35
(iii) Net gain on fair value changes	25	1,727.93	1,804.22
(iv) Net gain on derecognition of financial assets	26	-	124.18
Total Income from operations		35,334.48	81,229.38
II Other income	27	7,208.80	3,181.50
III Total Income (I + II)		42,543.28	84,410.88
IV Expenses			
(i) Finance costs	28	10,813.40	22,606.32
(ii) Fee and Commission expenses	29	-	486.01
(iii) Net loss on derecognition of financial instruments under amortised cost category	30	36.49	-
(iv) Impairment on financial instruments	31	7,737.49	26,512.62
(v) Employee benefits expense	32	23,230.21	28,082.14
(vi) Depreciation, amortisation and impairment	33	5,136.95	6,004.97
(vii) Other expenses	34	15,854.17	25,576.61
IV Total Expenses		62,808.71	1,09,268.67
V Loss before tax (III-IV)		(20,265.43)	(24,857.79)
VI Tax Expense:	35		
(i) Current tax		(44.67)	-
(ii) Deferred tax credit		(5,850.94)	(6,430.14)
		(5,895.61)	(6,430.14)
VII Loss for the year (V-VI)		(14,369.82)	(18,427.65)
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to statement of profit and loss			
(a) Remeasurement of defined benefit plans		972.17	169.67
(b) Income tax expense relating to above items		(244.68)	(42.70)
(ii) Items that will be reclassified to statement of profit and loss			
(a) Changes in fair valuation of financial assets		(28.29)	(673.71)
(b) Income tax expense relating to above items		7.12	169.56
Other comprehensive income/(loss) (i + ii)		706.32	(377.18)
IX Total comprehensive loss for the year (VII+VIII)		(13,663.50)	(18,804.83)
X Earnings per equity share (face value of ₹ 10 each)	36		
Basic (₹)		(23.48)	(30.12)
Diluted (₹)		(23.48)	(30.12)

The accompanying notes form an integral part of these Standalone Financial Statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Hem Sandeep & Co
Chartered Accountants
ICAI Firm registration no. : 009907N

Ajay Sardana
Partner
Membership No.: 089011



For and on behalf of the board of directors

Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178

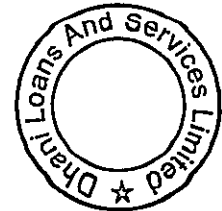
Akshay Kumar Tiwary
Director
DIN: 00366348

Rajeev Indran Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

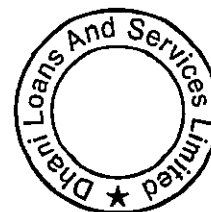
Place: New Delhi
Date: : 26 May 2023

Place: Gurugram
Date: : 26 May 2023



DHANI LOANS AND SERVICES LIMITED
Standalone Cash flow Statement for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities:		
Net loss before tax	(20,265.43)	(24,857.79)
Adjustments for:		
Depreciation/amortisation	5,136.95	6,004.97
Loss on derecognition of property, plant and equipment	710.09	95.52
Impairment on financial instruments	7,737.49	26,512.62
Provision for gratuity and compensated absences	281.69	867.83
Interest income	(13,976.55)	(41,386.63)
Interest expenses	9,703.09	20,812.38
Interest on lease liabilities	1,000.74	1,627.37
Profit on fair value changes	(1,727.93)	(1,804.22)
Profit recognised on sale of assigned portfolio	-	(124.18)
Excess provision for expenses and liabilities written back	(5,675.14)	(600.20)
Loss on sale of loan portfolio through assignment	1,390.15	5,343.92
Gain on modification/derecognition of financial assets	(1,479.06)	(852.88)
Effective interest rate adjustment for financial instruments	(4.28)	299.73
Loss on modification/derecognition financial instruments under amortised cost category	36.49	-
Share based payments to employees	(3,905.79)	2,502.91
	(772.06)	19,299.14
Operating loss before working capital changes	(21,037.49)	(5,558.65)
Adjustments for:		
Loans	74,517.12	13,064.15
Other financial assets	11,739.15	11,753.32
Other non financial assets	2,190.36	(1,183.64)
Trade payables	(67.24)	882.11
Other payables	1,611.34	(3,350.10)
Other financial liabilities	(6,136.97)	(19,168.28)
Provisions	1,057.47	(1,286.40)
Other non financial liabilities	(1,564.87)	1,177.38
	83,346.36	1,888.54
Cash generated from/(used in) operating activities	62,308.87	(3,670.11)
Interest received	29,810.20	33,945.25
Interest paid	(9,730.91)	(21,565.17)
Income taxes paid (including tax deducted at source)	(1,418.49)	(3,131.23)
Net cash generated from operating activities	80,969.67	5,578.74
B Cash flows from investing activities:		
Purchase of property, plant and equipment, intangible assets under development and intangible assets	(153.91)	(5,162.27)
Sale/(Purchase) of investments (net)	22,004.51	86,393.26
Interest received	1,820.56	2,530.86
Net cash generated from investing activities	23,671.16	83,761.85
C Cash flows from financing activities:		
Proceeds from issue of preference shares (including premium)	-	61,262.56
Redemption of preference shares (including premium)	-	(61,262.56)
Proceeds from debt securities	9,576.48	19,057.22
Repayment of debt securities	(32,019.33)	(41,448.50)
Proceeds from borrowings other than debt securities	9,340.37	52,500.00
Repayment of borrowings other than debt securities	(1,19,766.96)	(1,73,256.84)
Payment of lease liabilities	(2,705.94)	(3,846.94)
Net cash used in financing activities	(1,35,575.38)	(1,46,995.06)
D Net decrease in cash and cash equivalents (A+B+C)	(30,934.55)	(57,654.47)
E Cash and cash equivalents at the beginning of the year	41,959.90	99,614.37
F Cash and cash equivalents at the end of the year (D + E)	11,025.35	41,959.90



DHANI LOANS AND SERVICES LIMITED
Standalone Cash flow Statement for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Reconciliation of cash and cash equivalents as above with other bank balances		
Cash and Cash equivalents at the end of the year as per above	11,025.35	41,959.90
Add: Fixed deposits with original maturity over 3 months	3,199.08	14,975.06
Cash and cash equivalents and other bank balance as at the end of the year	14,224.43	56,934.96

Notes:

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:


Cash in hand	0.17	0.32
Balances with banks:		
- in current accounts	10,366.20	31,207.22
- in term deposits with original maturity of less than three months	348.08	10,752.36
Cheques on hand	310.90	-
Cash and cash equivalents at the end of the year	11,025.35	41,959.90

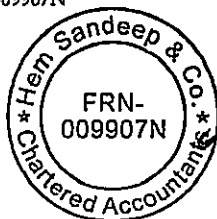
3 For disclosures relating to changes in liabilities arising from financing activities, refer note 47

The accompanying notes form an integral part of these Standalone Financial Statements.

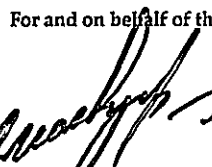
This is the Standalone Cash Flow Statement referred to in our report of even date

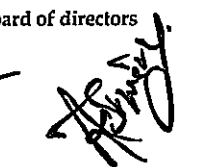
For Hem Sandeep & Co
 Chartered Accountants
 ICAI Firm registration no. : 009907N


 Ajay Sardana
 Partner
 Membership No.: 089011




For and on behalf of the board of directors


 Sanjeev Kashyap
 Whole Time Director &
 Chief Executive Officer
 DIN: 03405178

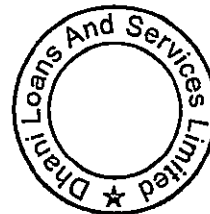

 Akshay Kumar Tiwary
 Director
 DIN: 00366348


 Rajeev Lochan Agrawal
 Chief Financial Officer


 Manish Rustagi
 Company Secretary

Place: New Delhi
 Date: 26 May 2023

Place: Gurugram
 Date: 26 May 2023



DHANILOANS AND SERVICES LIMITED
Statement of Changes in Equity for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

(A) Equity share capital (refer note 21)

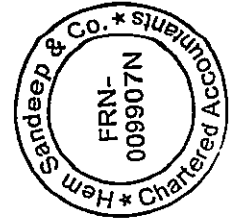
Particulars	Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	6,118.80	-	6,118.80	-	6,118.80

Particulars	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	6,118.80	-	6,118.80	-	6,118.80

(B) Other equity (refer note 22)

(1) Current reporting period:

Particulars	Reserves and Surplus						Total		
	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Surplus in the statement of profit and loss	Change in fair value of loan assets through other comprehensive income	Other component of equity		Deemed equity contribution by Holding Company	Share options outstanding account
Balance as at 1 April 2022	3,70,534.35	900.82	13,270.01	306.75	21.17	3,652.97	1,461.22	4,999.86	3,95,147.15
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	3,70,534.35	900.82	13,270.01	306.75	21.17	3,652.97	1,461.22	4,999.86	3,95,147.15
Profit/(loss) for the year	-	-	-	(14,369.82)	(21.17)	-	-	-	(14,369.82)
Other comprehensive income (net of tax)	-	-	-	727.49	-	-	-	-	706.32
Share based payment to employees	-	-	-	-	-	-	-	(3,905.79)	(3,905.79)
Transfer to Impairment Provision A/c	(97,500.00)	-	-	-	-	-	-	-	(97,500.00)
Deferred tax on Impairment Provision	24,538.80	-	-	-	-	-	-	-	24,538.80
Transfer to retained earnings	-	-	-	628.33	-	-	-	(628.33)	-
Balance as at 31 March 2023	2,97,573.15	900.82	13,270.01	(12,707.25)	-	3,652.97	1,461.22	465.74	3,04,616.66



DHANI LOANS AND SERVICES LIMITED
Standalone Statement of Changes in Equity for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

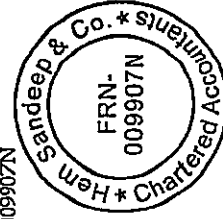
(1) Other equity (refer note 22) (continued):
 (2) Previous reporting period:

Particulars	Reserves and Surplus						Share options outstanding account	Total
	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Surplus in the statement of profit and loss	Change in fair value of loan assets through other comprehensive income	Other component of equity		
Balance as at 1 April 2021	3,70,534.35	100.00	13,270.01	19,406.96	525.32	3,652.97	1,461.22	4,11,449.07
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	3,70,534.35	100.00	13,270.01	19,406.96	525.32	3,652.97	1,461.22	4,11,449.07
Profit/(loss) for the year	-	-	-	(18,427.65)	-	-	-	(18,427.65)
Other comprehensive income (net of tax)	-	-	-	126.97	(504.15)	-	-	(377.18)
Transfers to capital redemption reserve during the year	-	800.82	-	(800.82)	-	-	-	-
Share based payment to employees	-	-	-	-	-	-	-	-
Addition on issue of redeemable convertible preference shares	60,461.74	-	-	-	-	-	-	2,502.91
Utilised on redemption of redeemable convertible preference shares	(60,461.74)	-	-	-	-	-	-	60,461.74
Transfer to retained earnings	-	-	-	1.29	-	-	-	(1.29)
Balance as at 31 March 2022	3,70,534.35	900.82	13,270.01	306.75	21.17	3,652.97	1,461.22	4,999.86

The accompanying notes form an integral part of these Standalone Financial Statements.

This is the Standalone Statement of Change in Equity referred to in our report of even date.

For Hem Sandeep & Co
 Chartered Accountants
 ICAI Firm registration no. : 009907N



Ajay Sardana
 Partner
 Membership No.: 089011

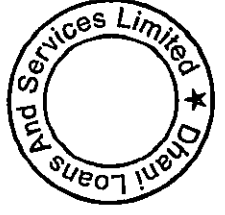
For and on behalf of the board of directors

Sanjeev Kashyap
 Whole Time Director &
 Chief Executive Officer
 DIN: 03405178

Akshay Kumar Tiwari
 Director
 DIN: 00366348

Rajeev Lochan Agrawal
 Chief Financial Officer

Manish Rustagi
 Company Secretary



Place: New Delhi
 Date: 26 May 2023

Place: Gurugram
 Date: 26 May 2023

DHANI LOANS AND SERVICES LIMITED

Notes to Standalone financial statements for the year ended 31 March 2023

1. Company overview

Dhani Loans and Services Limited ('the Company') is a public limited Company incorporated under the provisions of the Companies Act, 1956 and is engaged in the business of financing and investing related activities. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ('RBI') under section 45-IA of the Reserve Bank of India Act, 1934. The Company is domiciled in India and its registered office is situated at 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi -110008.

2. Basis of preparation

(i) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Act, other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time ('the RBI Directions, 2016') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.105/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties and other accounting principles generally accepted in India. Any application guidance / clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued /applicable. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

These standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on : 26 May 2023

(ii) Presentation of Standalone financial statements

The Standalone Balance Sheet, Standalone Statement of Profit and Loss and Standalone Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. A summary of the material accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Act including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

(iii) Historical cost convention

The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The standalone financial statements have been prepared using the material accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the standalone financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

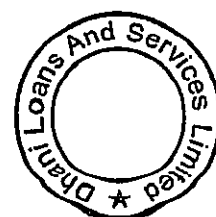
Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Act.

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Servers and networks	6 years
Leasehold improvements	Lower of useful life of the asset or lease term

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.



3. Summary of significant accounting policies (continued)

De-recognition

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

b) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Asset class	Useful life
Software	4 - 10 years

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software. However, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

c) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

d) Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

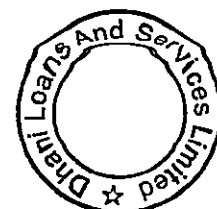
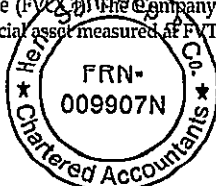
The Company recognises revenue from the following sources:

i. Interest income

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Interest income are recognised by applying the effective interest method ('EIR') to the gross carrying amount of financial assets other than credit-impaired assets. Calculation of the EIR includes all fees received or cost incurred that are incremental and directly attributable to the acquisition of a financial asset. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company recognises the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to recognising interest income.

ii. Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.



3. Summary of significant accounting policies (continued)

iii. Dividend income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

iv. Fees and commission income

Revenue from fee and commission is measured at fair value of the consideration received or receivable. Revenue is recognised as and when the Company satisfies the associated performance obligation in accordance with the identified contract with the customers and when there is no uncertainty in the ultimate realisation/collection

v. Income from assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss and correspondingly EIS receivable is recognised under head other financial asset. EIS evaluated and adjusted for ECL and expected prepayment.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

f) Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

g) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

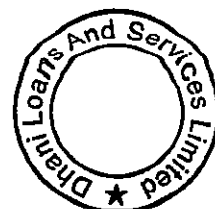
Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.



DHANI LOANS AND SERVICES LIMITED

Notes to Standalone financial statements for the year ended 31 March 2023

3. Summary of significant accounting policies (continued)

h) Share based payments

Share based compensation benefits are provided to employees via Dhani Services Limited ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

j) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

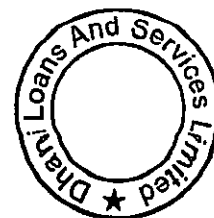
When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.



DHANI LOANS AND SERVICES LIMITED

Notes to Standalone financial statements for the year ended 31 March 2023

3. Summary of significant accounting policies (continued)

l) Equity investment in associate/subsidiaries

Investments representing equity interest in associate or subsidiaries is measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

m) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- 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 neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) 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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 and Loss.

ii. Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets, and
- (b) 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.

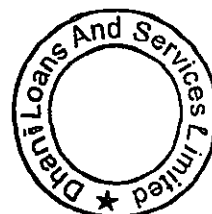
FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and impairment gains or losses are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss.

iii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.



3. Summary of significant accounting policies (continued)

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Financial guarantee

Financial guarantee contracts are recognised as financial liability at the time guarantee is issued. The liability is initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per equity share, the net profit or loss (interest and other finance cost associated) for the period 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.

p) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

q) Foreign currency

Functional and presentation currency

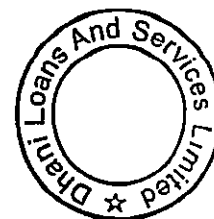
Items included in the standalone financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(This space has been intentionally left blank)



3. Summary of significant accounting policies (continued)

r) Classification of leases

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

s) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

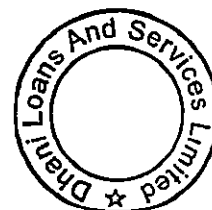
Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment – 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.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(This space has been intentionally left blank)



3. Summary of significant accounting policies (continued)

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each reporting date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

i) **New Accounting Pronouncement**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

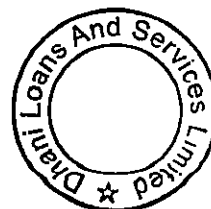
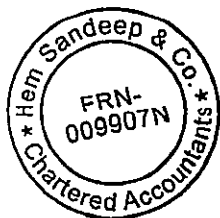
Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Note - 4		
Cash and cash equivalents		
Cash on hand	0.17	0.32
Balances with banks		
- Current accounts	10,366.20	31,207.22
- Fixed deposit with original maturity of three months or less (including interest accrued)*	348.08	10,752.36
Cheques on hand	310.90	-
	<u>11,025.35</u>	<u>41,959.90</u>

*Including interest accrued ₹ 1.58 lakhs (31 March 2022: ₹ 53.35 lakhs)

	As at 31 March 2023	As at 31 March 2022
Note - 5		
Bank balance other than cash and cash equivalents		
Fixed deposits with original maturity of more than 3 months (including interest accrued)*	3,199.08	14,975.06
	<u>3,199.08</u>	<u>14,975.06</u>

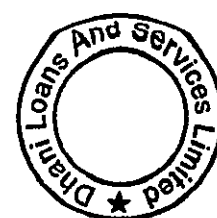
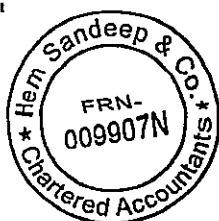
*Including interest accrued ₹ 27.69 lakhs (31 March 2022: ₹ 46.06 lakhs)

Note: The amount under lien as security against overdraft facility availed, assets securitised and bank guarantee are as follows (included above in Note - 4 and Note - 5):

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits pledged with banks for overdraft facilities availed by the Company	3,456.56	7,166.76
Deposits pledged for securitisation transactions	-	15,895.96
Deposits pledged with bank against bank guarantees	25.16	25.17
Deposits pledged with bank against corporate credit cards	65.44	61.86
	<u>3,547.16</u>	<u>23,149.75</u>

	As at 31 March 2023		
	At amortised cost	At fair value through other comprehensive income	Total
Note - 6			
Loans			
Term Loans			
Secured			
Unsecured	26,263.87	-	26,263.87
Total - Gross	1,15,650.75	-	1,15,650.75
Less: impairment loss allowance	1,41,914.62	-	1,41,914.62
Total - Net	(5,191.63)	-	(5,191.63)
	<u>1,36,722.99</u>	<u>-</u>	<u>1,36,722.99</u>
Secured by tangible assets	26,263.87	-	26,263.87
Secured by other assets	-	-	-
Unsecured	1,15,650.75	-	1,15,650.75
Total - gross	1,41,914.62	-	1,41,914.62
Less: impairment loss allowance	(5,191.63)	-	(5,191.63)
Total - net	1,36,722.99	-	1,36,722.99
Loans in India			
(i) Public sector	-	-	-
(ii) Others	1,41,914.62	-	1,41,914.62
Total - gross	1,41,914.62	-	1,41,914.62
Less: impairment loss allowance	(5,191.63)	-	(5,191.63)
Total - net	1,36,722.99	-	1,36,722.99

	As at 31 March 2022		
	At amortised cost	At fair value through other comprehensive income	Total
Loans			
Term Loans			
Secured			
Unsecured	43,078.60	1,053.85	44,132.45
Total - Gross	3,25,785.53	923.12	3,26,708.65
Less: impairment loss allowance	3,68,864.13	1,976.97	3,70,841.10
Total - Net	(36,371.44)	(15.43)	(36,386.87)
	<u>3,32,492.69</u>	<u>1,961.54</u>	<u>3,34,454.23</u>
Secured by tangible assets	43,078.60	1,053.85	44,132.45
Secured by other assets	-	-	-
Unsecured	3,25,785.53	923.12	3,26,708.65
Total - gross	3,68,864.13	1,976.97	3,70,841.10
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
Total - net	3,32,492.69	1,961.54	3,34,454.23
Loans in India			
(i) Public sector	-	-	-
(ii) Others	3,68,864.13	1,976.97	3,70,841.10
Total - gross	3,68,864.13	1,976.97	3,70,841.10
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
Total - net	3,32,492.69	1,961.54	3,34,454.23



Note - 6

Loans (continued)

(B) Disclosure are made where loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any term or period of repayment.

Type of Borrower	As at 31 March 2023		As at 31 March 2022	
	Amount	% of the total Loans and	Amount	% of total Loans and Advances
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-

The Company is mainly engaged in the business of financing by way of loans in the nature of consumer finance and loans against property (LAP), mortgage backed SME loans, and certain other purposes in India. The Company has assessed each of its loan portfolios and performed a comprehensive analysis of the staging of each of its borrower segments. Further, the Company has also analysed its outstanding exposures. Based on the above analysis, the Company has recorded a provision for impairment due to expected credit loss (ECL), of ₹ 5,191.63 lakhs in respect of its loans and advances as at 31 March 2023.

In the ordinary course of its business, the Company extends secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding companies, personal guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts etc.

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 on-rolls collection executives, along with 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 31 March 2023. There was no change in the Company's collateral policy or collateral quality during the year.

Note - 7

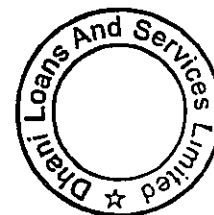
Investments

Investments	As at 31 March 2023			
	At amortised cost	At fair value through profit or loss	At cost	Total
Mutual funds	-	335.18	-	335.18
Debt securities (of subsidiary company)	9,999.78	-	-	9,999.78
Security receipts	-	32,610.38	-	32,610.38
Equity instruments (of subsidiary company) (refer footnote below)	-	-	93,129.51	93,129.51
Total (A)	9,999.78	32,945.56	93,129.51	1,36,074.85
(i) Investments outside India	-	-	-	-
(ii) Investments in India	9,999.78	32,945.56	93,129.51	1,36,074.85
Total (B)	9,999.78	32,945.56	93,129.51	1,36,074.85
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	9,999.78	32,945.56	93,129.51	1,36,074.85

Investments	As at 31 March 2022			
	At amortised cost	At fair value through profit or loss	At cost	Total
Mutual funds	-	35,722.14	-	35,722.14
Debt securities (of subsidiary company)	9,999.78	-	-	9,999.78
Security receipts	-	17,500.00	-	17,500.00
Equity instruments (of subsidiary company) (refer footnote below)	-	-	93,129.51	93,129.51
Total (A)	9,999.78	53,222.14	93,129.51	1,56,351.43
(i) Investments outside India	-	-	-	-
(ii) Investments in India	9,999.78	53,222.14	93,129.51	1,56,351.43
Total (B)	9,999.78	53,222.14	93,129.51	1,56,351.43
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	9,999.78	53,222.14	93,129.51	1,56,351.43

Notes:

7.1. Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 7 Investments (continued)

7.2. Equity instruments includes the following investment in equity shares of subsidiaries

Name of the Subsidiaries	As at 31 March 2023	As at 31 March 2022
TranServ Limited [No. of equity share 6,479,129 (31 March 2022: 6,479,129) face value ₹ 10 each]	12,579.39	12,579.39
Indiabulls Distribution Services Limited [No. of equity share 308,220 (31 March 2022: 308,220) face value ₹ 10 each]	45,000.12	45,000.12
Indiabulls Investment Advisors Limited [No. of equity share 355,500,000 (31 March 2022: 355,500,000) face value ₹ 10 each]	35,550.00	35,550.00
Total investment in equity instruments of subsidiaries	93,129.51	93,129.51

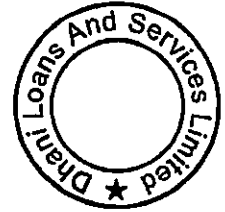
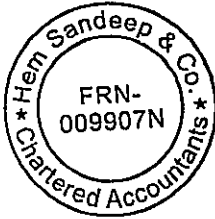
Note - 8

Other financial assets

Receivable on assigned loans
 Less: Impairment loss allowance
 Net receivable on assigned loans
 Security deposits
 Less: Impairment loss allowance
 Net Security deposits
 Advances to employees
 Less: Impairment loss allowance
 Net Advance to Employees
 Others recoverable

	As at 31 March 2023	As at 31 March 2022
	111.99	1,524.79
	(1.79)	(24.44)
	110.20	1,500.35
	1,795.98	1,311.24
	(102.00)	-
	1,693.98	1,311.24
	100.66	128.28
	(8.43)	-
	92.23	128.28
	302.19	180.72
	2,198.60	3,120.59

(This space has been intentionally left blank)



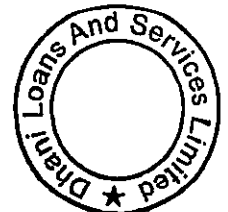
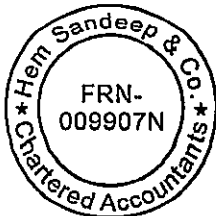
DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Note - 9		
Current tax assets (net)		
Advance Income tax/tax deducted at source	17,163.85	15,700.69
[Net of provision for taxation]		
	<u>17,163.85</u>	<u>15,700.69</u>
	As at 31 March 2023	As at 31 March 2022
Note - 10		
Deferred tax assets (net)		
Deferred Tax Assets		
- Impairment loss allowance	1,334.87	9,164.00
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	306.00	262.07
- Disallowance under Section 43B of the Income-tax Act, 1961	150.24	129.60
- Derecognition of financial instruments measured under amortised cost category	103.52	-
- Financial assets measured at amortised cost	121.50	410.09
- Share based payments	117.22	1,258.36
- Unused tax losses carried forward	45,260.16	6,574.57
Total (A)	<u>47,393.51</u>	<u>17,798.69</u>
Less: Deferred Tax Liabilities		
- Derecognition of financial instruments measured under amortised cost category	-	279.93
- Financial assets measured at fair value through other comprehensive income	-	7.12
- Financial liabilities measured at amortised cost	24.25	33.38
- Depreciation and amortisation	181.52	442.70
Total (B)	<u>205.77</u>	<u>763.13</u>
Deferred Tax Assets(Net) (A-B)	<u>47,187.74</u>	<u>17,035.56</u>

Movement in deferred tax assets

Particulars	As at 1 April 2022	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in Equity	As at 31 March 2023
Deferred Tax Assets					
- Impairment loss allowance	9,164.00	(32,367.93)	-	24,538.80	1,334.87
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	262.07	288.61	(244.68)	-	306.00
- Disallowance under Section 43B of the Income-tax Act, 1961	129.60	20.64	-	-	150.24
- Financial assets measured at amortised cost	410.09	(288.59)	-	-	121.50
- Share based payments	1,258.36	(1,141.14)	-	-	117.22
- Unused tax losses carried forward	6,574.57	38,685.59	-	-	45,260.16
- Derecognition of financial instruments measured under amortised cost category	(279.93)	383.45	-	-	103.52
Deferred tax liabilities					
- Financial liabilities measured at amortised cost	(33.38)	9.13	-	-	(24.25)
- Financial assets measured at fair value through other comprehensive income	(7.12)	-	7.12	-	-
- Depreciation and amortisation	(442.70)	261.18	-	-	(181.52)
Deferred tax assets (net)	<u>17,035.56</u>	<u>5,850.94</u>	<u>(237.56)</u>	<u>24,538.80</u>	<u>47,187.74</u>

Particulars	As at 1 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in Equity	As at 31 March 2022
Deferred tax assets					
- Impairment loss allowance	11,682.59	(2,518.59)	-	-	9,164.00
- Disallowance under Section 40A(7) of the Income-tax Act, 1961	357.52	(52.74)	(42.70)	-	262.07
- Disallowance under Section 43B of the Income-tax Act, 1961	182.20	(52.60)	-	-	129.60
- Financial assets measured at amortised cost	437.72	(27.63)	-	-	410.09
- Share based payments	628.76	629.60	-	-	1,258.36
- Unused tax losses carried forward	-	6,574.57	-	-	6,574.57
Deferred tax liabilities					
- Derecognition of financial instruments measured under amortised cost category	(2,231.70)	1,951.77	-	-	(279.93)
- Financial liabilities measured at amortised cost	(41.55)	8.17	-	-	(33.38)
- Financial assets measured at fair value through other comprehensive income	(176.68)	-	169.56	-	(7.12)
- Depreciation and amortisation	(360.29)	(82.41)	-	-	(442.70)
Deferred tax assets (net)	<u>10,478.57</u>	<u>6,430.14</u>	<u>126.86</u>	<u>-</u>	<u>17,035.56</u>



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 11 (c) : Intangible Asset under Development

Intangible Asset under Development	Gross Block			Accumulated depreciation			Net Block	
	As at 1 April 2022	Additions	As at 31 March 2023	As at 1 April 2022	Additions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	462.18	270.55	317.19	-	-	-	317.19	462.18
		415.54						

Intangible Asset under Development	Capitalisation/adjustment			Deletion			Net Block	
	As at 1 April 2021	Additions	As at 31 March 2022	As at 01-04-2021	Additions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
	380.46	1,913.74	462.18	-	-	-	462.18	380.46

Disclosure of aging schedule of Intangible assets under development :

Intangible assets under development	As at 31 March 2023			Total
	Less than 1 year	1-2 years	More than 3 years	
Software	209.28	107.91	-	317.19
Total	209.28	107.91	-	317.19

Intangible assets under development	As at 31 March 2022			Total
	Less than 1 year	1-2 years	More than 3 years	
Software	462.18	-	-	462.18
Total	462.18	-	-	462.18

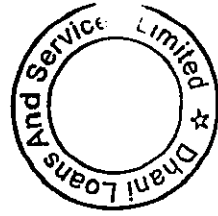
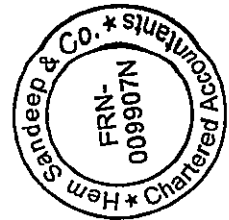
There are no intangible assets under development which are overdue as per the original completion plan of the intangible assets under development at the balance sheet date.

Note - 11 (d) : Intangible assets

Software	Gross Block			Accumulated depreciation			Net Block	
	As at 1 April 2022	Additions	As at 31 March 2023	As at 1 April 2022	Additions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	10,614.20	339.14	10,953.34	6,258.39	1,095.74	7,354.13	4,355.81	4,355.81
		339.14		6,258.39	1,095.74	7,354.13	3,599.21	4,355.81
Total	10,614.20	339.14	10,953.34	6,258.39	1,095.74	7,354.13	3,599.21	4,355.81

Software	Gross Block			Accumulated depreciation			Net Block	
	As at 1 April 2021	Additions	As at 31 March 2022	As at 1 April 2021	Additions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
	9,701.86	912.34	10,614.20	5,236.50	1,021.89	6,258.39	4,355.81	4,465.36
		912.34		5,236.50	1,021.89	6,258.39	4,355.81	4,465.36
Total	9,701.86	912.34	10,614.20	5,236.50	1,021.89	6,258.39	4,355.81	4,465.36

Refer note no. 39 of notes to financial statements for disclosure of capital commitments.



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 12

Other non-financial assets

Prepaid expenses
Balance with government authorities
Capital advances
Advances to suppliers

	As at 31 March 2023	As at 31 March 2022
	959.32	2,519.03
	1,661.88	2,111.53
	36.04	41.47
	382.39	563.39
	<u>3,039.63</u>	<u>5,235.42</u>

Note - 13

Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 46 (a))
Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31 March 2023	As at 31 March 2022
	-	-
	1,030.00	1,097.24
	<u>1,030.00</u>	<u>1,097.24</u>

13.1. Trade Payables aging schedule

Particulars	As at 31 March 2023				Total
	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	-	-	-	-	-
(ii) Others	828.01	201.90	-	0.09	1,030.00
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at 31 March 2022				Total
	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	-	-	-	-	-
(ii) Others	1,034.45	-	62.79	-	1,097.24
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note - 14

Other Payable

Total outstanding dues of micro enterprises and small enterprises (refer note 46 (b))
Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31 March 2023	As at 31 March 2022
	-	-
	4,671.16	8,734.96
	<u>4,671.16</u>	<u>8,734.96</u>

Note - 15

Debt securities (at amortised cost)

(A) Secured Loans

Non-convertible debentures (refer note 15.1 and 15.2 below)
Total

	As at 31 March 2023	As at 31 March 2022
	32,097.24	54,506.33
	<u>32,097.24</u>	<u>54,506.33</u>

(B) Unsecured Loans

Out of above

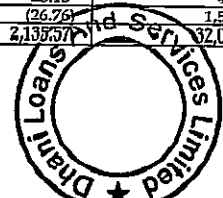
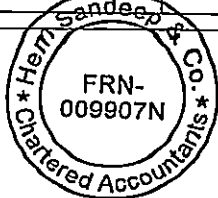
In India
Outside India
Total

	As at 31 March 2023	As at 31 March 2022
	-	-
	32,097.24	54,506.33
	<u>32,097.24</u>	<u>54,506.33</u>

Notes:

15.1 Secured redeemable non convertible debentures include:

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2023			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.00 % (Effective yield)	1,000.00	17-May-2022	22-May-2023	2,69,344	2,693.44	219.67	2,913.11
10.50 %	1,000.00	2-Feb-2022	2-Feb-2024	38,820	388.20	3.48	391.68
10.50 % (Effective yield)	1,000.00	2-Feb-2022	2-Feb-2024	47,849	478.49	53.05	531.54
10.03 %	1,000.00	2-Feb-2022	2-Feb-2024	70,965	709.65	(5.47)	704.18
10.50 %	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	34.48	4,735.32
11.00 % (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	19.97	2,627.09
10.50 %	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	1,017.80	2,955.56
10.50 % (Effective yield)	1,000.00	17-May-2022	17-May-2024	3,67,125	3,671.25	276.62	3,947.87
10.03 %	1,000.00	17-May-2022	17-May-2024	11,967	119.67	8.46	128.13
10.13 %	1,000.00	17-May-2022	17-May-2024	42,615	426.15	(5.24)	420.91
10.61 %	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(14.86)	1,549.39
10.60 % (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	89.51	1,369.54
10.04 %	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	195.66	634.22
10.52 %	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	(0.25)	378.82
10.50 % (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	69.69	1,250.68
11.00 %	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	43.87	147.49
11.00 % (Effective yield)	1,000.00	2-Feb-2022	31-Jan-2025	1,13,954	1,139.54	5.16	1,144.70
10.49 %	1,000.00	2-Feb-2022	31-Jan-2025	91,679	916.79	102.46	1,019.25
11.00 %	1,000.00	2-Feb-2022	31-Jan-2025	2,56,028	2,560.28	(33.17)	2,527.11
11.01 % (Effective yield)	1,000.00	17-May-2022	16-May-2025	21,492	214.92	53.20	268.21
10.49 %	1,000.00	17-May-2022	16-May-2025	40,270	402.70	28.15	430.85
Total	1,000.00	17-May-2022	16-May-2025	1,54,835	1,548.35	(26.79)	1,521.59
					29,961.67	2,135.57	32,097.24



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 15
Debt securities (at amortised cost) (continued)

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2022			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	3,249.81	25.84	3,275.65
0.109	1,000.00	8-Mar-2019	8-May-2022	7,55,369	7,553.69	65.10	7,618.79
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	2,358.42	879.01	3,237.43
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	2,500.00	83.15	2,583.15
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	1,237.09	(1.74)	1,235.35
0.1041	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	1,220.95	93.52	1,314.47
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	427.80	132.39	560.19
0.0981	1,000.00	6-Sep-2019	6-Sep-2022	29,704	297.04	2.00	299.04
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	224.70	13.06	237.76
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	85.56	24.16	109.72
10.00 % (Effective yield)	1,000.00	2-Feb-2022	7-Feb-2023	12,86,427	12,864.27	(103.63)	12,760.64
0.105	1,000.00	2-Feb-2022	2-Feb-2024	38,820	388.20	(2.51)	385.69
10.50 % (Effective yield)	1,000.00	2-Feb-2022	2-Feb-2024	47,849	478.49	(4.50)	473.99
10.03%	1,000.00	2-Feb-2022	2-Feb-2024	70,965	709.65	(17.83)	691.82
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	7.90	4,708.74
0.11	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	6.13	2,613.25
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	717.33	2,655.09
0.1013	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(36.11)	1,528.14
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	72.20	1,352.23
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	129.08	567.64
0.1004	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	0.61	379.68
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	64.06	1,245.05
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	29.49	133.11
0.11	1,000.00	2-Feb-2022	31-Jan-2025	1,13,954	1,139.54	(7.25)	1,132.29
11.00 % (Effective yield)	1,000.00	2-Feb-2022	31-Jan-2025	91,679	916.79	(8.59)	908.20
10.49%	1,000.00	2-Feb-2022	31-Jan-2025	2,56,028	2,560.28	(61.06)	2,499.22
Total					52,404.52	2,101.81	54,506.33

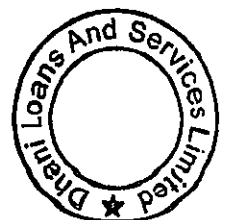
15.2. Non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon to the extent as stated in the respective information memorandum/offering documents/prospectus. Further, the Company has maintained asset cover as stated in the respective information memorandum/offering documents/prospectus.

	As at 31 March 2023	As at 31 March 2022
Note - 16		
Borrowings (other than debt securities) at amortised cost		
(A) Secured Loans		
(i) Term loans		
- From banks	-	76,993.53
- From financial institution	-	25,748.65
(ii) Loans repayable on demand		
- From banks	-	15,004.01
(iii) Other Loans		
- Securitisation liabilities	6,294.91	-
Total (A)	6,294.91	1,17,746.19
(B) Unsecured Loans		
(i) Loan taken from other	900.00	-
Total (B)	900.00	-
Total (A+B)	7,194.91	1,17,746.19
Out of above		
In India	7,194.91	1,17,746.19
Outside India	-	-
Total	7,194.91	1,17,746.19

There is no continuing default in the repayment of the aforesaid loans or interest as at the balance sheet date.

i) Term loans from banks and financial institutions includes:

Particulars	Security	As at 31 March 2023		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
Nil	Nil	-	-	-



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note- 16 Borrowings (other than debt securities) at amortised cost (continued)

i) Term loans from banks and financial institutions includes:

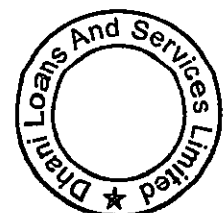
Particulars	Security	As at 31 March 2022		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	2,500.00	(0.17)	2,499.83
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	14,927.59	(13.58)	14,914.01
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	14,947.13	(8.64)	14,938.49
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	24,953.72	(1.37)	24,952.35
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	14,711.89	(8.70)	14,703.19
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	4,000.00	62.15	4,062.15
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,000.00	43.89	3,043.89
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,640.00	53.35	3,693.35
South Indian Bank : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	5,000.00	(14.33)	4,985.67
National Bank for Agriculture and Rural Development : This loan is repayable in 20 equated quarterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	15,000.00	(50.75)	14,949.25
Total		1,02,680.33	61.85	1,02,742.18

Interest rate on term loans varies from 8.15% to 10.75% per annum as at 31 March 2022

(ii) Loans repayable on demand from banks includes:"

Particulars	Security	As at 31 March 2023	As at 31 March 2022
RBI Bank Limited : This Working capital demand loan is repayable between 7 days to 6 Months.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	-	15,004.01
Total		-	15,004.01

a) Interest rate on loans repayable on demand from banks is Nil (31 March 2022 - 9.80% per annum).



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

(iii) Securitisation liabilities :

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Name of Counter Party	As at 31 March 2023	As at 31 March 2022
India Retail Pool Opportunities Trust 2	6,294.91	-
Total	6,294.91	-

(a) Interest rate on securitisation liabilities is at a floating rate of 13.30% per annum which equal to long term reference rate of Aditya Birla Finance Limited less the spread of 6.95%.
 (b) The above mentioned amount of Securitisation liabilities is considered after netting off investment (Minimum retention amount) of ₹ 1,688.07 lakhs made by the Company in the Securitisation deal

(iv) Loan taken from other :

The loan is repayable on demand with maximum tenure of 12 months i.e. February 2024 and carries interest rate of 12 percent per annum.

(v) In respect of the Company's borrowings from banks or financial institutions on the basis of security of current assets, quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

	As at 31 March 2023	As at 31 March 2022
Note - 17		
Lease liability		
Finance lease obligations (refer note - 38)	4,564.58	18,389.53
	<u>4,564.58</u>	<u>18,389.53</u>

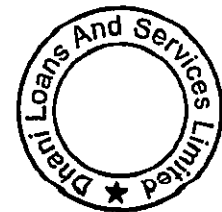
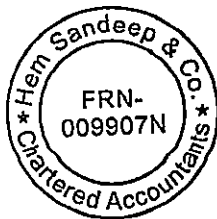
	As at 31 March 2023	As at 31 March 2022
Note - 18		
Others financial liabilities		
Interest accrued on assigned loan	905.29	4,231.47
Others		
- Amount payable on assigned/secured loans	6,181.07	8,991.86
	<u>7,086.36</u>	<u>13,223.33</u>

18.1. Amount payable on assigned/secured loans represent the amount collected on sale down portfolio where cash flows are require to pass to the counterparty either through direct assignment or pass through credit.

	As at 31 March 2023	As at 31 March 2022
Note - 19		
Provisions		
Provision for employee benefits	1,215.83	1,041.28
Provision for gratuity (refer note -37 B)	596.95	514.94
Provision for compensated absences (refer note -37C)	<u>1,812.78</u>	<u>1,556.22</u>

	As at 31 March 2023	As at 31 March 2022
Note - 20		
Other non-financial liabilities		
Other Advances		
Advance from customers	567.37	1,060.06
Others		
Statutory dues payable	401.87	1,474.05
	<u>969.24</u>	<u>2,534.11</u>

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 21
Share capital

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
A. Authorised				
Equity shares of face value of ₹ 10 each	7,70,00,000	7,700.00	7,70,00,000	7,700.00
Preference shares of face value of ₹ 10 each	85,00,000	850.00	85,00,000	850.00
	<u>8,55,00,000</u>	<u>8,550.00</u>	<u>8,55,00,000</u>	<u>8,550.00</u>

The members of the Company at their extra-ordinary meeting held on 15 December 2021 have approved the reclassification of the authorised share capital of the Company from ₹ 8,550.00 lakhs divided into 8,00,00,000 equity shares of ₹ 10 each and 55,00,000 preference shares of ₹ 10 each, to ₹ 8,550.00 lakh divided into 7,70,00,000 equity shares of ₹ 10 each and 85,00,000 Preference shares of ₹ 10 each.

B. Issued, subscribed and paid up				
Equity shares of face value of ₹ 10 each	6,11,88,000	6,118.80	6,11,88,000	6,118.80
	<u>6,11,88,000</u>	<u>6,118.80</u>	<u>6,11,88,000</u>	<u>6,118.80</u>

C. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Opening balance at the beginning of the year	6,11,88,000	6,118.80	6,11,88,000	6,118.80
Add: issued during the year	-	-	-	-
Outstanding at the end of the year	<u>6,11,88,000</u>	<u>6,118.80</u>	<u>6,11,88,000</u>	<u>6,118.80</u>
Preference Shares				
Opening balance at the beginning of the year	-	-	-	-
Add: issued during the year	-	-	80,08,178	800.82
Less: redeemed during the year	-	-	80,08,178	800.82
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 16 December 2021, the Board of Directors of the Company, pursuant to the applicable provisions of Companies Act, 2013, authorized the issue and allotment of 80,08,178 redeemable convertible preference shares ("RCPS") at an issue price of ₹ 765 per RCPS including a premium of ₹ 755 per RCPS and face value of ₹ 10 per RCPS, to Dhani Services Limited, its Holding Company, for consideration received in cash.

In accordance with the terms of the issue of the RCPS, dividend was payable at the coupon rate of 0.001% per annum, payable at the end of each financial year.

The Holding Company, at its sole option, can request the Company to convert into fully paid up equity shares of the Company at any time, on or before 5 years from the date of issue, at the value per equity share of the Company on such date of conversion or redeem the RCPS.

On 30 March 2022, the Company has redeemed the RCPS in full at a premium of ₹ 755 per RCPS by utilising the credit in the Securities Premium Account.

Further, in accordance with the Act, the Company has appropriated ₹ 800.82 lakh to the Capital Redemption Reserve.

D. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received 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 shareholder.

E. Shares held by shareholders holding more than 5% shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of holding	No. of shares	% of holding
Dhani Services Limited and its nominees (Holding Company)	6,11,88,000	100%	6,11,88,000	100%

F. Shares held by promoters:

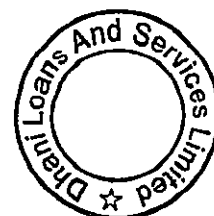
Particulars	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% of holding	% Change during the year	No. of shares	% of holding	% Change during the year
Dhani Services Limited and its nominees (Holding Company)	6,11,88,000	100%	-	6,11,88,000	100%	-

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.

G. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

H. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue during the last five years.

I. The Company has not bought back any shares during the current year and five years immediately preceding current year.



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 22

	As at 31 March 2023	As at 31 March 2022
Other equity		
Statutory reserves	13,270.01	13,270.01
Securities premium	2,97,573.15	3,70,534.35
Capital redemption reserve	900.82	900.82
Share options outstanding account	465.74	4,999.86
Retained earnings	(12,707.25)	306.75
Change in fair value of loan assets through other comprehensive income	-	21.17
Deemed equity contribution by Holding Company	1,461.22	1,461.22
Other component of equity	3,652.97	3,652.97
	<u>3,04,616.66</u>	<u>3,95,147.15</u>

Nature and purpose of other reserve:

Statutory reserves (Reserves Fund)

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Securities premium

Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

During the year ended 31 March 2023, the Company has utilised/ applied an amount of Rs. 72,961.20 lakhs (net of deferred tax) from the outstanding balance in the securities premium account for creating a provision for impairment losses on financial instruments, instead of debiting the same to the Standalone Statement of Profit and Loss, which is not in strict accordance with the applicable provisions of Indian Accounting Standards and other applicable regulations. The Reserve Bank of India issued a communication to the industry dated 20 June 2022 which impacted one of the Company's products/services offered to its customers. Consequently, the Company, on a conservative basis, has created the above mentioned provision in respect of any future, unanticipated losses which may arise on account of the impact of the above RBI communication.

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Share options outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company under Holding Company's ESOP's plan.

Change in fair value of loan assets through other comprehensive income

This reserve has been created against change in business model for loan against property ("LAP"), business instalments loan and personal loan from "hold to collect" to "hold to collect and sale".

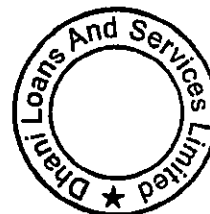
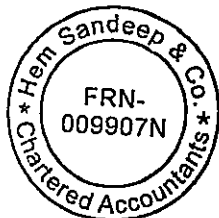
Deemed equity contribution by Holding Company

The reserve has been created against initial measurement of financial guarantee (given by Holding Company) at fair value.

Other component of equity

The reserve has been created against exercised amount of employee stock option (issued by Holding Company).

(This space has been intentionally left blank)

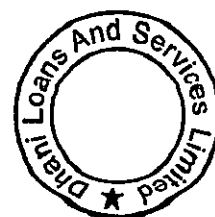


DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Note - 23		
Interest income		
On financial assets measured at amortised cost		
Interest on loans	11,885.86	38,019.58
Interest on deposits with banks	820.58	1,455.20
Other interest income		
- Unwinding of interest income	153.53	836.19
On financial assets classified at fair value through profit or loss		
Interest income from investments		
- Bonds Investment	116.60	-
- Compulsory convertible debentures	999.98	999.98
- Security receipts	-	75.68
	<u>13,976.55</u>	<u>41,386.63</u>
Note - 24		
Fees and commission income		
Subscription income and Processing fee	10,032.10	31,007.26
Foreclosure fees and other related income	9,597.90	6,907.09
	<u>19,630.00</u>	<u>37,914.35</u>
Note - 25		
Net gain on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	1,727.93	1,804.22
Total Net gain/(loss) on fair value changes	<u>1,727.93</u>	<u>1,804.22</u>
Fair Value Changes		
- Realised	1,714.89	1,950.14
- Unrealised	13.04	(145.92)
Total Net gain/(loss) on fair value changes	<u>1,727.93</u>	<u>1,804.22</u>
Note - 26		
Net gain on derecognition of financial assets		
Gain on sale of loan portfolio	-	124.18
	<u>-</u>	<u>124.18</u>
Note - 27		
Other income		
Liabilities written back	2,565.44	-
Provision write back	3,109.70	600.20
Charge back for common expenses	9.20	1,713.46
Gain on modification/ derecognition of leases	1,479.06	852.88
Miscellaneous Income	45.40	14.96
	<u>7,208.80</u>	<u>3,181.50</u>

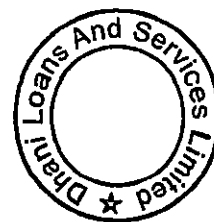


DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Note - 28		
Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings	4,533.37	13,666.15
Interest on debt securities	5,169.72	4,779.03
Other interest expenses		
- Interest on securitisation transactions	39.37	2,367.20
- Interest on taxes	38.72	14.05
- Interest on lease liability	1,000.74	1,627.38
- Others	31.48	152.51
	<u>10,813.40</u>	<u>22,606.32</u>
Note - 29		
Fee and Commission expenses		
Commission expenses	-	486.01
	<u>-</u>	<u>486.01</u>
Note - 30		
Net loss on derecognition of financial instruments under amortised cost category		
Loss on derecognition of Corporate guarantee	36.49	-
	<u>36.49</u>	<u>-</u>
Note - 31		
Impairment on financial instruments		
Impairment allowance*	5,363.20	21,882.89
Loans written off	2,396.93	8,013.56
Impairment allowance on interest spread on assigned assets	(22.64)	(1,611.15)
Impairment allowance on security receipts	-	(1,772.68)
	<u>7,737.49</u>	<u>26,512.62</u>
* Net of bad debts recovered of ₹ 13,382.81 lakhs (Previous year: ₹ 13,716.96 lakhs)		
Note - 32		
Employee benefits expense		
Salaries and wages	26,518.99	24,872.46
Contribution to Provident Fund and Other Funds (refer note-37)	503.41	500.54
Share based payments to employees	(3,905.79)	2,502.91
Staff welfare expenses	113.60	206.23
	<u>23,230.21</u>	<u>28,082.14</u>



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 33

Depreciation, amortisation and impairment
 Depreciation on property, plant and equipment
 Amortisation on intangible assets
 Depreciation on right-of-use assets

	For the year ended 31 March 2023	For the year ended 31 March 2022
	1,966.04	1,883.28
	1,095.74	1,021.89
	2,075.17	3,099.80
	<u>5,136.95</u>	<u>6,004.97</u>

Note - 34

Other Expenses
 Repair and maintenance
 Insurance
 Communication expenses
 Lease line Charges
 Printing and stationery
 Lease rent
 Professional charges
 Auditors' remuneration - audit fees (refer note (a) below)
 Rates and taxes
 Electricity expenses
 Business promotion
 Office maintenance
 Travelling expenses
 Software expenses
 Corporate social responsibility expenses (refer note -58)
 Bank charges
 Web hosting charges
 Loss on sale of property, plant and equipment
 Miscellaneous expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
	414.20	310.91
	4.72	0.58
	367.96	901.35
	92.50	109.79
	81.89	129.78
	544.64	750.28
	3,185.95	7,291.61
	38.15	38.15
	114.43	161.21
	346.03	370.65
	3,519.34	8,828.79
	588.26	941.05
	607.16	624.59
	4,706.66	3,730.65
	-	333.50
	394.89	891.52
	60.72	59.61
	710.09	95.52
	76.58	7.07
	<u>15,854.17</u>	<u>25,576.61</u>

Note (a): Payment to statutory auditors: (including goods and services tax)

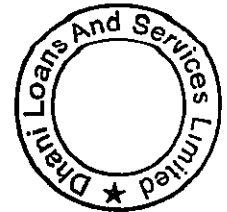
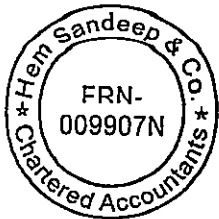
As auditor
 - audit and limited review
 Sub Total
 GST
 Total

	For the year ended 31 March 2023	For the year ended 31 March 2022
	35.00	35.00
	35.00	35.00
	3.15	3.15
	<u>38.15</u>	<u>38.15</u>

- in connection with issue of securities (including GST)*

5.45 5.45

*recognised as transaction cost in computing effective interest rate adjustment for the respective borrowings.



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -35

	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expense		
Current tax	(44.67)	-
Deferred tax credit	(5,850.94)	(6,430.14)
Income tax expense reported in the statement of profit and loss	(5,895.61)	(6,430.14)

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (31 March 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Accounting profit/(loss) before tax expense	(20,265.43)	(24,857.79)
Income tax rate	25.168%	25.168%
Expected tax expense	(5,100.40)	(6,256.21)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which will never be allowed	150.48	127.30
Tax impact on items exempt under income tax	(98.50)	(198.15)
Income chargeable under capital gain (difference of tax rates)	(431.60)	-
Others	(415.59)	(103.08)
Tax expense	(5,895.61)	(6,430.14)

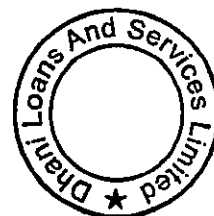
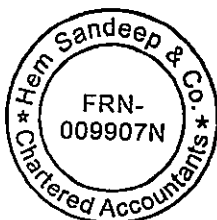
For the year ended 31 March 2023	For the year ended 31 March 2022
-------------------------------------	-------------------------------------

Note -36

Earnings per equity share

Profit/(loss) available for equity shareholders	(14,369.82)	(18,427.65)
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares for basic earnings per share	6,11,88,000	6,11,88,000
Effect of dilution:		
Weighted-average number of equity shares used to compute diluted earnings per share	6,11,88,000	6,34,91,722
Basic earnings per share (₹)	(23.48)	(30.12)
Diluted earnings per share (₹)	(23.48)	(30.12)

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 37

Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

A Defined contribution plans

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. Amount of ₹ 503.41 lakh (31 March 2022 ₹ 500.54 lakh) pertaining to employers' contribution to provident and other fund is recognised as an expense and included in "Employee benefits expense" in the Standalone Statement of Profit and Loss.

B Defined benefit plans

Gratuity

The Company has a defined benefit unfunded gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation	1,215.83	1,041.28
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	1,215.83	1,041.28

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	-	-
Past service cost including curtailment gains/losses	417.88	463.94
Interest cost on defined benefit obligation	89.49	105.58
Interest income on plan assets	-	-
Net impact on profit/loss (before tax)	507.37	569.52

(iii) Amount recognised in the other comprehensive income:

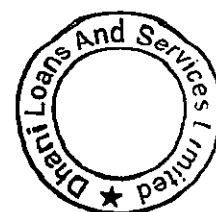
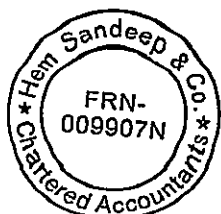
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss recognised during the year	(972.17)	(169.67)

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present value of defined benefit obligation as at the beginning of year	1,041.28	1,420.53
Acquisition adjustment	944.40	(659.80)
Current service cost	417.88	463.94
Interest cost	89.49	105.58
Past service cost including curtailment gains/losses	-	-
Benefits paid	(305.11)	(119.30)
Actuarial loss/(gain) on obligation	-	-
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(46.19)	(60.01)
Actuarial (gain)/loss on arising from experience adjustment	(925.98)	(109.67)
Present value of defined benefit obligation as at the end of the year	1,215.83	1,041.28
Expected contribution for the next Annual reporting period	504.70	551.67

(v) Actuarial assumptions

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discounting rate	7.36%	7.18%
Future salary increase rate	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Ages	Withdrawal	Withdrawal
Up to 30 years	Rate 3.00%	Rate 3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	21.15	21.22



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 37

Employee benefits (continued)

(vi) Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,215.83	1,041.28
- Impact due to increase of 0.50 %	(88.09)	(71.08)
- Impact due to decrease of 0.50 %	97.90	78.25
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,215.83	1,041.28
- Impact due to increase of 0.50 %	99.72	79.55
- Impact due to decrease of 0.50 %	(90.38)	(72.82)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.
Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vii) Maturity profile of defined benefit obligation

	As at 31 March 2023	As at 31 March 2022
0 to 1 year	16.46	15.78
1 to 2 year	14.88	14.02
2 to 3 year	41.58	15.47
3 to 4 year	33.54	35.32
4 to 5 year	22.21	26.81
5 to 6 year	31.37	18.24
6 year onwards	1,055.78	915.65

C Other long-term employee benefit plans

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ (225.69) lakh have been written back on the basis of actuarial valuation at the year end and credited to the Statement of Profit and Loss. Provision of ₹ 298.31 lakh was charged to statement of Profit and loss during the previous year 31 March 2022.

Note - 38

Leases

The Company has entered into lease arrangements for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a corresponding lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term leases	544.64	750.28
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases (excluding short term lease) for the year ended 31 March 2023 was ₹ 2705.94 lakh (31 March 2022 was ₹ 3,816.94 lakh).

C The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2023 (31 March 2022: ₹ Nil)

D Maturity of lease liabilities

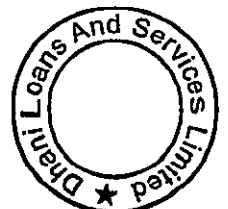
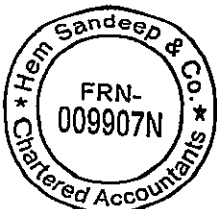
The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2023	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	1,378.82	1,022.52	964.05	908.52	719.16	1,158.95	6,152.02
Interest Expense	443.42	353.55	284.52	210.94	143.87	151.14	1,587.44
Net Present Value	935.40	668.97	679.53	697.58	575.29	1,007.81	4,564.58

*During the year, some lease contracts were terminated/executed as a result of which the maturity amount has changed as compared to the previous financial year

31 March 2022	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	4,471.78	4,102.58	3,820.14	3,909.98	3,761.08	5,157.13	25,222.69
Interest Expense	1,789.43	1,521.49	1,253.80	964.26	643.21	660.97	6,833.16
Net Present Value	2,682.35	2,581.09	2,566.34	2,945.72	3,117.87	4,496.16	18,389.53

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2023 is of ₹ Nil (31 March 2022 ₹ Nil).



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 38
Leases (continued)

F The table below describe the nature of the company's lease activities by type of right-of-use asset recognised on balance sheet :

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2023	114	6 Months to 100 Months	50 Months	-	-	114
Office Building						
Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2022	189	6 Months to 106 Months	65 Months	-	-	189
Office Building						

G The total future cash outflows as at 31 March 2023 for leases that had not yet commenced is of ₹ 0.40 Lakhs (31 March 2022: ₹ 10.82 lakh).

H Following are the changes in the carrying value of right of use assets for the year ended:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	17,032.76	12,146.89
Additions	629.08	13,066.21
Deletion	11,612.72	5,080.54
Depreciation*	2,075.17	3,099.80
Closing Balance	3,973.95	17,032.76

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Standalone Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	18,389.53	13,389.88
Additions	629.08	13,066.21
Finance cost accrued during the year	1,000.74	1,627.38
Deletion	12,748.83	5,847.00
Payment of lease liabilities	2,705.94	3,846.94
Closing Balance	4,564.58	18,389.53

Note - 39
Contingent liabilities and commitments
i. Contingent liabilities

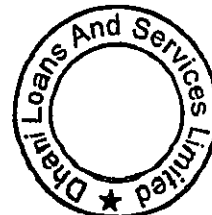
The Company is involved in certain appellate and judicial proceedings (including those described below) concerning matters arising in the normal course of business including claims from customers. The proceedings in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, Management is of the view that based on currently available information no provision in addition to that already recognised in its financial statements is considered necessary in respect of the below.

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debt:		
a) Income tax demand in respect of assessment year 2018-19 against which the Company has preferred an appeal before the CIT (Appeals) which was partly allowed vide order dated 18 July 2022.	-	588.41
b) Income tax demand in respect of assessment year 2013-14 against which the Company has filed appeal before the CIT (Appeals) was allowed vide order dated 28 Feb 2022. During the year ended 31 March 2023, the Income Tax Department has preferred an appeal against the aforesaid order before the ITAT, Delhi which is still pending as on date.	95.04	-
Total	95.04	588.41

ii. Capital commitments
(to the extent not provided for)

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance paid)	3.11	47.66

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 40
Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value			
Investments measured at fair value through profit or loss	Note - 7	32,945.56	53,222.14
Loans measured at fair value through other comprehensive income	Note - 6	-	1,961.54
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	11,025.35	41,959.90
Bank balance other than cash and cash equivalents	Note - 5	3,199.08	14,975.06
Investments	Note - 7	9,999.78	9,999.78
Loans	Note - 6	1,36,722.99	3,32,492.69
Other financial assets	Note - 8	2,198.60	3,120.59
Financial assets measured at cost			
Investments*	Note - 7	93,129.51	93,129.51
Total		2,89,220.87	5,50,861.21
Financial liabilities measured at amortised cost			
Trade payables	Note - 13	1,030.00	1,097.24
Other payables	Note - 14	4,671.16	8,734.96
Debt securities (including interest accrued)	Note - 15	32,097.24	54,506.33
Borrowings (other than debt securities) [including interest accrued]	Note - 16	7,194.91	1,17,746.19
Lease liabilities	Note - 17	4,564.58	18,389.53
Other financial liabilities	Note - 18	7,086.36	13,223.33
Total		56,644.25	2,13,697.58

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements'.

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 a) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual fund	335.18	-	-	335.18
Security receipt	-	32,610.38	-	32,610.38
Loans measured at fair value through other comprehensive income				
Loans	-	-	-	-

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	35,722.14	-	-	35,722.14
Security receipt	-	17,500.00	-	17,500.00
Loans measured at fair value through other comprehensive income				
Loans	-	-	1,961.54	1,961.54

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) the use of quoted market prices for quoted equity instruments and debt securities,

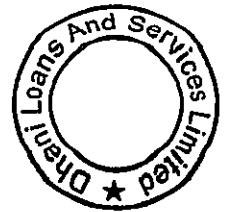
(b) the use of quoted market prices for derivative contracts at balance sheet date,

(c) the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

b) Movement of loans measured using unobservable inputs (Level 3):

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance		
Addition during the year	1,976.97	17,784.31
Disposal during the year	-	452.06
Gain recognised in statement of profit and loss	(1,976.96)	(16,287.69)
Closing balance*	-	28.29
	-	1,976.97

*The above amounts are gross carrying amounts (refer note 6)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 40

Financial instruments (continued)

c) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Sensitivity	Impact of change in rates on total comprehensive income statement			
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
				Favourable	Unfavourable	Favourable	Unfavourable
Loans	-	1,976.97	1%	-	-	22.81	(22.32)

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	11,025.35	11,025.35	41,959.90	41,959.90
Bank balance other than cash and cash equivalents	3,199.08	3,199.08	14,975.06	14,975.06
Investments	9,999.78	9,999.78	9,999.78	9,999.78
Loans	1,36,722.99	1,36,722.99	3,32,492.69	3,32,492.69
Other financial assets	2,198.60	2,106.99	3,120.59	3,748.04
Total	1,63,145.80	1,63,054.19	4,02,548.02	4,03,175.47
Financial liabilities				
Trade payables	1,030.00	1,030.00	1,097.24	1,097.24
Other payables	4,671.16	4,671.16	8,734.96	8,734.96
Debt securities	32,097.24	32,161.19	54,506.33	52,948.19
Borrowings (other than debt securities)	7,194.91	7,194.91	1,17,746.19	1,17,746.19
Lease liabilities	4,564.58	4,333.37	18,389.53	18,367.48
Other financial liabilities	7,086.36	7,086.36	13,223.33	13,223.33
Total	56,644.25	56,476.99	2,13,697.58	2,12,117.39

The management assessed that fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial instruments measured at fair value and fair value of financial instruments carried at amortized cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets

Note - 41

Financial risk management

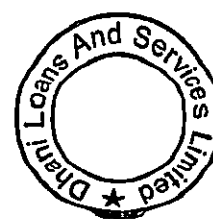
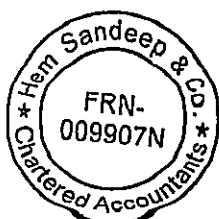
i) Risk Management

As a Non-Banking Financial Company (NBFC), the 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 and interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balances other than cash and cash equivalents, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 41

Financial risk management (continued)

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balance, loans, Investment in CCD, Mutual fund & Security receipt, security deposits and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans and Investment in security receipt	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Low credit risk		
Cash and cash equivalents	11,025.35	41,959.90
Bank balance other than cash and cash equivalents	3,199.08	14,975.06
Loans	1,30,244.40	1,79,728.64
Investments	42,945.34	63,221.92
Other financial assets	2,198.60	3,120.59
(ii) Moderate credit risk		
Loans	5,827.89	1,35,959.33
(iii) High credit risk		
Investment	-	-
Other financial assets	691.78	24.44
Loans	5,842.33	55,153.13

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only placing highly rated deposits in banks and financial institutions across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans to employees, security deposits, interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for the amounts loan assets that become past due and default is considered to have been occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required Know Your Customer (KYC) documents
- Client must agree to follow the rules and regulations of the Company
- Credit bureau check - In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertakes credit bureau checks for every client. The credit bureau check helps the Company in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per industry trends 2. Supplemental external information that could affect the borrowers behaviour	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	3. Discount rate is based on internal rate of return on the loan	2. Management judgement is applied to determine the economic scenarios and the application of probability weights

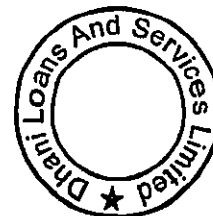
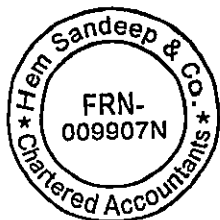
* The Company has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	11,025.35	-	11,025.35
Bank balance other than cash and cash equivalents	3,199.08	-	3,199.08
Investments	1,36,074.85	-	1,36,074.85
Other financial assets	2,310.82	112.22	2,198.60



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 41
Financial risk management (continued)

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	41,959.90	-	41,959.90
Bank balance other than cash and cash equivalents	14,975.06	-	14,975.06
Investments	1,56,351.43	-	1,56,351.43
Other financial assets	3,145.03	24.44	3,120.59

ii) Expected credit loss for loans
Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, exposure at default and loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2021	2,95,541.62	77,794.67	42,701.41
Assets originated	8,13,059.86	-	-
Net transfer between stages and de-recognition	(9,28,866.48)	58,226.63	63,529.44
Assets written-off	(6.36)	(61.97)	(51,077.72)
Gross carrying amount as at 31 March 2022	1,79,728.64	1,35,959.33	55,153.13
Assets originated	1,15,591.97	-	-
Net transfer between stages and de-recognition	(1,65,071.60)	(1,30,121.59)	17,097.85
Assets written-off	(4.61)	(9.85)	(66,408.65)
Gross carrying amount as at 31 March 2023	1,30,244.40	5,827.89	5,842.33

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance as on 01 April 2021	2,120.06	8,687.24	33,113.05
Increase of provision due to assets originated during the year	9,617.22	-	-
Net transfer between stages and written back	(9,863.62)	3,390.23	32,456.02
Loss allowance Utilised	(0.10)	(6.20)	(43,127.03)
Loss allowance as at 31 March 2022	1,873.56	12,071.27	22,442.04
Increase of provision due to assets originated during the year	845.91	-	-
Net transfer between stages and written back	(2,173.77)	(11,561.37)	(51,779.83)
Created through Securities Premium Account (Refer Note 22)	-	-	97,500.00
Loss allowance Utilised	(0.07)	(0.98)	(64,025.13)
Loss allowance as at 31 March 2023	545.63	508.92	4,137.08

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2023	As at 31 March 2022
Corporate borrowers	50,666.05	56,256.70
Retail borrowers	91,248.57	3,14,584.40
Total	1,41,914.62	3,70,841.10

d) Loans secured against collateral

Company's secured portfolio has security base as follows:

Particulars	Value of loans	
	As at 31 March 2023	As at 31 March 2022
Secured by tangible assets*	26,263.87	44,132.45
Secured by other assets	-	-

*Equitable mortgage of property/ hypothecation of assets

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/ proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

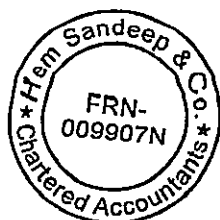
The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's (through Asset Liability Management Committee) liquidity positions (also comprising the undrawn borrowing facilities), matching of the financial assets and financial liabilities position and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(f) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2023	Total facility	Undrawn
- Expiring within one year	1,000.00	100.00
Total	1,000.00	100.00

As at 31 March 2022	Total facility	Undrawn
- Expiring within one year	25,000.00	10,000.00
Total	25,000.00	10,000.00



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 41

Financial risk management (continued)

(ii) Maturities of financial assets and Liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2023	Less than 1 year	1-3 years	More than 3 years	Total
Financial liabilities				
Debt Securities	17,133.07	17,408.16	-	34,541.23
Borrowings (other than debt securities)	3,230.54	3,880.14	2,743.29	9,853.97
Trade payables	1,030.00	-	-	1,030.00
Other payable	4,671.16	-	-	4,671.16
Lease liabilities	1,378.82	1,986.57	2,786.63	6,152.02
Other financial liabilities	7,086.36	-	-	7,086.36
Total undiscounted financial liabilities	34,529.95	23,274.87	5,529.92	63,334.74

As at 31 March 2022	Less than 1 year	1-3 year	More than 3 years	Total
Financial liabilities				
Debt securities	36,157.38	23,056.21	-	59,213.59
Borrowings (other than debt securities)	20,571.24	9,463.30	96,288.23	1,26,322.77
Trade payables	1,097.24	-	-	1,097.24
Other payable	8,734.96	-	-	8,734.96
Lease liabilities	4,471.78	7,922.72	12,828.19	25,222.69
Other financial liabilities	13,223.33	-	-	13,223.33
Total undiscounted financial liabilities	84,255.93	40,442.23	1,09,116.42	2,33,814.58

C) Market risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Company's exposure to market risk is primarily on account of interest rate risk and price risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2023, the Company is exposed to changes in market interest rates borrowings other than debt securities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate liabilities*		
Debt securities	31,342.88	53,914.70
Borrowings (other than debt securities)	900.00	25,640.00
Variable rate liabilities*		
Borrowings (other than debt securities)	6,294.91	91,915.64
Total	38,537.79	1,71,470.34

* Above borrowing amounts exclude accrued interest

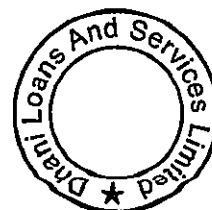
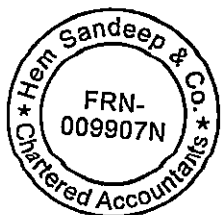
Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest sensitivity*		
Interest rates - increase by 0.50%	31.47	459.58
Interest rates - decrease by 0.50%	(31.47)	(459.58)

* Holding all other variables constant

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 41**Financial risk management (continued)****ii) Assets**

The Company's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) Price risk**i) Exposure**

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's profit/(loss) for the year:

Impact on profit after tax

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Mutual funds		
Net assets value – increase by 5%	16.76	1,786.11
Net assets value – decrease by 5%	(16.76)	(1,786.11)

Note - 42**Capital management**

The Company's capital management objectives are

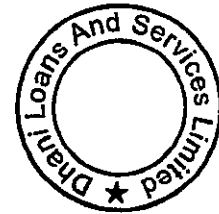
- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2023	As at 31 March 2022
Net debt*	28,266.80	1,30,292.62
Total equity	3,10,735.46	4,01,265.95
Net debt to equity ratio	0.09	0.32

* Net debt includes debt securities + borrowings other than debt securities - cash & cash equivalents

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakh unless stated otherwise)

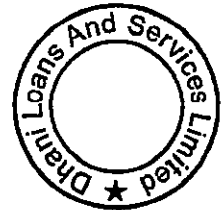
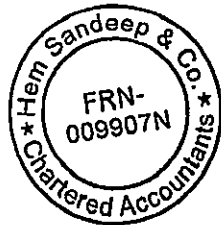
Note - 43

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

ASSETS	As at 31 March 2023		As at 31 March 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial assets				
Cash and cash equivalents	11,025.35	-	41,959.90	-
Bank balance other than cash and cash equivalents	3,199.08	-	14,975.06	-
Loans	55,087.23	81,635.76	2,21,049.41	1,13,404.82
Investments	10,334.96	1,25,739.89	45,721.92	1,10,629.51
Other financial assets	665.20	1,533.40	1,758.71	1,361.88
	<u>80,311.82</u>	<u>2,08,909.05</u>	<u>3,25,465.00</u>	<u>2,25,396.21</u>
Non-financial assets				
Current tax assets (net)	17,163.85	-	15,700.69	-
Deferred tax assets (net)	-	47,187.74	-	17,035.56
Property, plant and equipment	-	5,659.29	-	8,370.23
Right-of-use assets	1,020.19	2,953.76	3,398.19	13,634.57
Intangible assets under development	-	317.19	-	462.18
Other intangible assets	-	3,599.21	-	4,355.81
Other non-financial assets	2,690.66	348.97	4,649.17	586.25
	<u>20,874.70</u>	<u>60,066.16</u>	<u>23,748.05</u>	<u>44,444.60</u>
TOTAL ASSETS	<u>1,01,186.52</u>	<u>2,68,975.21</u>	<u>3,49,213.05</u>	<u>2,69,840.81</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,030.00	-	1,097.24	-
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	4,671.16	-	8,734.96	-
Debt securities	15,523.26	16,573.98	32,855.99	21,650.34
Borrowings (other than debt securities)	1,886.13	5,308.78	91,068.41	26,677.78
Lease liabilities	935.40	3,629.18	2,682.35	15,707.18
Other financial liabilities	7,086.36	-	13,223.33	-
	<u>31,132.31</u>	<u>25,511.94</u>	<u>1,49,662.28</u>	<u>64,035.30</u>
Non-financial liabilities				
Provisions	34.24	1,778.54	28.99	1,527.23
Other non-financial liabilities	969.24	-	2,534.11	-
	<u>1,003.48</u>	<u>1,778.54</u>	<u>2,563.10</u>	<u>1,527.23</u>
TOTAL LIABILITIES	<u>32,135.79</u>	<u>27,290.48</u>	<u>1,52,225.38</u>	<u>65,562.53</u>
Net equity	<u>69,050.73</u>	<u>2,41,684.73</u>	<u>1,96,987.68</u>	<u>2,04,278.27</u>

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 44

Operating segments

General information

The Company operates in a single reportable segment i.e. financing and investing related activities, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company is operating in India which is considered as a single geographical segment.

Note - 45

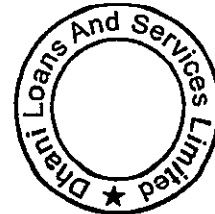
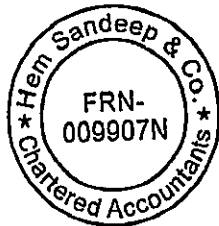
Related party disclosure

(a) Details of related parties:

Description of relationship	Names of related parties
Holding company	Dhani Services Limited
Subsidiary companies (including step-down subsidiaries)	Transerv Limited Indiabulls Distribution Services Limited Indiabulls Alternate Investments Limited Indiabulls Investment Advisors Limited
Fellow subsidiary companies (with whom transactions took place)	Indiabulls Asset Reconstruction Company Limited and its Trusts Dhani Healthcare Limited
Key management personnel	Mr. Pinank Javant Shah, Whole Time Director and Chief Executive Officer (till 1 January 2023) Mr. Sanjeev Kashyap, Whole Time Director and Chief Executive Officer (w.e.f. 1 January 2023) Mr. Gagan Banga, Director (till 14 March 2022) Mr. Nafees Ahmed, Director (till 1 July 2022) Mr. Ajit Kumar Mittal, Director (till 26 April 2022) Mr. Labh Singh Sitara, Director Mrs. Preetinder Virk, Director (till 04 April 2022) Ms. Ritu Kapoor Puri, Director (w.e.f. 04 April 2022) Mr. Akhil Gupta, Director (w.e.f. 26 April 2022) Mr. Vipin Chaudhary, Director (01 July 2022 to 28 November 2022) Mr. Akshay Kumar Tiwary, Director (w.e.f. 28 November 2022) Dr. Narendra Damodar Jadhav, Director Mr. Rajeev Lochan Agrawal, Chief Financial Officer Mr. Divyesh B Shah, Whole Time Director and Chief Executive Officer of Dhani Services Limited (CEO w.e.f. 31 March 2023) Mr. Sameer Gehlaut, Chief Executive Officer and Non Executive Chairman of Dhani Services Limited (Executive Chairman till 31 March 2023)

(b) Statement of transactions with related parties during the year:

Particulars	Holding company		Subsidiaries/Fellow subsidiaries/ Step-down subsidiaries		Key management personnel	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance						
- Loans given						
(Maximum balance outstanding during the year):	-	-	41,100.00	16,400.00	-	-
Share capital						
Issue of redeemable convertible preference shares (including premium)	-	61,262.56				
Redemption of redeemable convertible preference shares (including premium)	-	(61,262.56)				
Investment/redemption						
- Investment in security receipts	-	-	4,780.00	-	-	-
- Redemption of security receipts	-	-	1,169.62	-	-	-
Liabilities						
- Employee benefits liabilities paid/(received)	-	-	(1,335.84)	1,162.85	31.35	-
Income						
- Interest income from loan	-	-	1,034.71	610.73	-	-
- Interest income from Compulsorily Convertible Debentures	-	-	999.98	999.98	-	-
- Service fee from securitisation	-	-	28.50	-	-	-
- Sale of Non Performing Assets (NPA)	-	-	60,300.00	-	-	-
- Foreclosure fees and other related income	-	-	2.24	10.17	-	-
- Charge back for common expenses	2.40	2.40	6.80	1,711.06	-	-
Expenses						
- Professional charges and other charges	-	-	1,171.59	71.67	-	-
- Purchase of Fixed Assets	-	-	24.09	0.86	-	-
Reimbursement of expenses paid/(received)	-	-	1,320.03	(9,616.51)	-	-
Compensation to key management personnel (refer foot note-(ii))						
- Short term employee benefits	-	-	-	-	211.84	207.17
- Sitting fees	-	-	-	-	12.00	10.90
- Post employee benefits- gratuity	-	-	-	-	7.01	(0.66)
- Other long-term benefits- compensated absences	-	-	-	-	(3.94)	9.58
- Share based payment expenses	-	-	-	-	(1,197.66)	521.08



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 45

Related party disclosure (continued)

(c) Outstanding at year ended 31 March 2023:

Nature of transaction	Holding company		Subsidiaries/ Fellow subsidiaries	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Loans given	-	-	41,100.00	-
Investment in security receipts	-	-	3,610.38	-
Investment in compulsorily convertible debentures	-	-	9,999.78	9,999.78
Corporate Counter Guarantee given to third parties by the Holding Company (refer foot note - (i))	-	73,014.72	-	-

(d) Disclosure related to Fair value of Corporate Guarantee given by the Holding Company on behalf of the Company as per Ind AS 109, "Financial Instruments":

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deemed cost of fair value of corporate guarantee		
- Dhani Services Limited	72.16	156.97
Total	72.16	156.97
Addition to fair value of corporate guarantee		
- Dhani Services Limited	-	-
Total	-	-
Unamortised portion of deemed cost for corporate guarantees		
- Dhani Services Limited	-	107.77
Total	-	107.77

Note (i):

During the year ended 31 March 2023, the Company has not obtained any borrowings from banks and financial institution. Guarantee released during the year ended March 31, 2023 amounts to ₹ 73,014.72 Lakh (31 March 2022: ₹ 57,545.28 lakh). The corporate guarantee outstanding as on 31 March 2023 is Nil (31 March 2022: ₹ 73,014.72 lakh).

Note (ii):

In respect of managerial remuneration paid to a erstwhile Whole Time Director during the year ended 31 March 2023, members of the Company, at their extra-ordinary general meeting held on 24 May 2023, accorded their approval for waiver of recovery of such amount of managerial remuneration paid in excess of the limit laid down under Section 197 of the Act.

Note - 46

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(a) Details of trade payable dues to micro and small enterprises as defined under the MSMED act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

(b) Details of other payable dues to micro and small enterprises as defined under the msmed act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

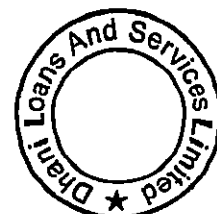
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 47

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Lease liabilities	Total
01 April 2021	77,060.33	2,36,793.37	13,389.88	3,29,243.58
Cash flows:				
- Proceeds	19,057.22	52,500.00	-	71,557.22
- Repayment	(41,448.50)	(1,73,256.84)	(3,846.94)	(2,18,552.28)
Non cash:				
- Amortisation of upfront fees and others	112.09	187.64	-	299.73
- Addition during the year	-	-	13,066.21	13,066.21
- Addition/(reduction) in interest accrued	(274.81)	(477.98)	-	(752.79)
- Others	-	-	(4,219.62)	(4,219.62)
31 March 2022	54,506.33	1,17,746.19	18,389.53	1,90,642.05
Cash flows:				
- Proceeds	9,576.48	9,340.37	-	18,916.85
- Repayment	(32,019.33)	(1,19,766.96)	(2,705.94)	(1,54,492.23)
Non cash:				
- Amortisation of upfront fees and others	(128.96)	(124.69)	-	(253.65)
- Addition during the year	-	-	629.08	629.08
- Addition/(reduction) in interest accrued	162.73	-	-	162.73
- Others	-	-	(11,748.09)	(11,748.09)
31 March 2023	32,097.24	7,194.91	4,564.58	43,856.74



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 48**Transfer of financial assets**

The following details provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

A) Securitisation

In the course of its business, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entity. As per the terms of the agreement with counterparty, the Company is exposed to first loss default guarantee and cash collateral at 13.30% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liabilities.

The table below outlines the carrying amounts and fair values of financial assets transferred that are not derecognised in their entirety and their associated liabilities:

Securitisations	As at 31 March 2023	As at 31 March 2022
Gross carrying amount of securitised assets (at amortised cost)	8,165.96	-
Gross carrying amount of associated liabilities	6,294.91	-
Carrying value and fair value of securitised assets	8,126.00	-
Carrying value and fair value of associated liabilities	6,294.91	-
Net position at Fair value	1,831.09	-

The carrying amount of above assets and liabilities is a reasonable approximation of their respective fair values.

B) Assignment

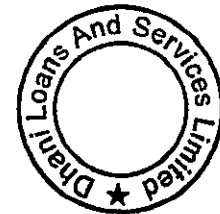
During the year ended March 31, 2022, the Company has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Company.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amount of de-recognised financial assets	-	12,684.73
Gain on sale of the de-recognised financial assets	-	124.18

Since the Company has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognised in the Standalone Statement of Profit and Loss.

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

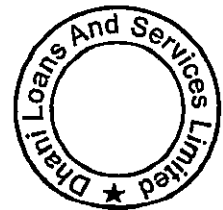
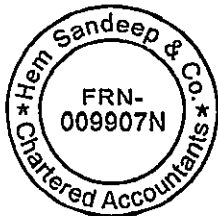
Note - 49

Disclosures pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2023:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities Side:				
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	32,097.24	-	54,506.33	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans	-	-	1,02,742.18	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other loans	-	-	15,004.01	-
- Loan repayable on demand	-	-	-	-
- Other unsecured loans	900.00	-	-	-
- Securitisation liabilities	6,294.91	-	-	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Assets side:	Amount outstanding as at 31 March 2023	Amount outstanding as at 31 March 2022
	(3) Break-up of loans and advances including bills receivables [other than those included in (4) below]:	
(a) Secured	26,263.87	44,132.43
(b) Unsecured	1,15,650.75	3,26,708.65
Less: Impairment loss allowance	(5,191.63)	(36,386.87)
Total	1,36,722.99	3,34,454.23
(4) Break-up of leased assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed assets	-	-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(5) Break-up of Investments :		
Current Investments:		
Current Investments		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	335.18	35,722.14
(iv) Government securities	-	-
(v) Others	-	-

(This space has been intentionally left blank)



DIHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 49 (continued)

Disclosures pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2023: (continued)

Assets side:	Amount outstanding as at 31 March 2023	Amount outstanding as at 31 March 2022
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	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	9,999.78	9,999.78
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
(a) Equity investment in subsidiaries	93,129.51	93,129.51
(b) Investment in security receipts	32,610.38	17,500.00
(c) Investment in associate	-	-

(6) Borrower group-wise classification of all assets financed as in (3) and (4) above:

Category	Amount (including impairment of loss allowance)			
	As at 31 March 2023		As at 31 March 2022	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	41,100.00	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties*	26,263.87	74,550.75	44,132.45	3,26,708.63
Total	26,263.87	1,15,650.75	44,132.45	3,26,708.63

*Includes provision against loan assets of ₹ 5,191.63 lakh (31 March 2022 ₹ 36,386.87 lakh)

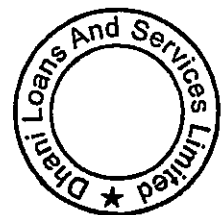
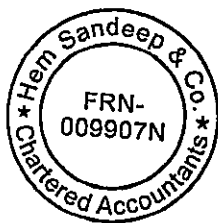
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2023		As at 31 March 2022	
	Market Value	Book Value (net of allowance for impairment loss)	Market Value	Book Value (net of allowance for impairment)
	1. Related parties			
(a) Subsidiaries	1,03,129.29	1,03,129.29	1,03,129.29	1,03,129.29
(b) Companies in the same group	3,610.38	3,610.38	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	29,335.18	29,335.18	35,722.14	35,722.14
Total	1,36,074.65	1,36,074.65	1,38,851.43	1,38,851.43

(8) Other information:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	5,842.33	55,153.13
(ii) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	1,705.25	32,711.09

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 50
Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.no 109/22.10.104/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI norms and Income Recognition, Asset Classification and Provisioning ("IRACP") norms.

As at 31 March 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard Assets	Stage 1	1,30,244.40	515.63	1,29,698.77	520.18	25.45
	Stage 2	5,827.89	508.92	5,318.97	22.92	486.00
Sub- Total		1,36,072.29	1,054.55	1,35,017.74	543.10	511.45
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,781.52	4,076.27	1,705.25	578.15	3,498.12
Doubtful - up to 1 year	Stage 3	60.81	60.81	-	60.81	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub- Total For Doubtful		60.81	60.81	-	60.81	-
Loss	Stage 3	-	-	-	-	-
Sub- Total For NPA		5,842.33	4,137.08	1,705.25	638.96	3,498.12
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	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub- Total		-	-	-	-	-
Total	Stage 1	1,30,244.40	515.63	1,29,698.77	520.18	25.45
	Stage 2	5,827.89	508.92	5,318.97	22.92	486.00
	Stage 3	5,842.33	4,137.08	1,705.25	638.96	3,498.12
Total		1,41,914.62	5,191.63	1,36,722.99	1,182.06	4,009.57

As at 31 March 2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard Assets	Stage 1	1,79,728.64	1,873.56	1,77,855.08	771.65	1,101.91
	Stage 2	1,35,939.33	12,071.27	1,23,868.06	540.15	11,531.12
Sub- Total		3,15,667.97	13,944.83	3,01,743.14	1,311.80	12,633.03
Non-Performing Assets (NPA)						
Substandard	Stage 3	53,204.03	21,929.66	31,274.37	5,320.40	16,609.26
Doubtful - up to 1 year	Stage 3	1,869.41	480.50	1,388.91	480.50	-
1 to 3 years	Stage 3	79.69	31.88	47.81	31.88	-
More than 3 years	Stage 3	-	-	-	-	-
Sub- Total For Doubtful		1,949.10	512.38	1,436.72	512.38	-
Loss	Stage 3	-	-	-	-	-
Sub- Total For NPA		55,153.13	22,442.04	32,711.09	5,832.78	16,609.26
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	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub- Total		-	-	-	-	-
Total	Stage 1	1,79,728.64	1,873.56	1,77,855.08	771.65	1,101.91
	Stage 2	1,35,939.33	12,071.27	1,23,868.06	540.15	11,531.12
	Stage 3	55,153.13	22,442.04	32,711.09	5,832.78	16,609.26
Total		3,70,841.10	36,386.87	3,34,454.23	7,144.58	29,242.29

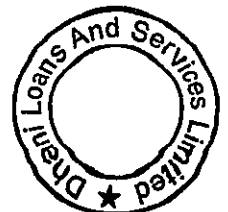
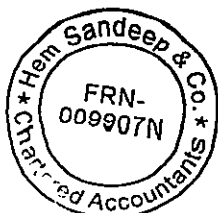
Note - 51
Disclosures in terms of Annex XVI of the RBI Directions, 2016:

i. Disclosure for capital to risk assets ratio (CRAR):-

Items	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
(i) CRAR (%)	84.11%	63.91%
(ii) CRAR - Tier I Capital (%)	83.16%	63.91%
(iii) CRAR - Tier II Capital (%)	0.65%	0%
(iv) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
(v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

ii. Investments

Particulars	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
A. Value of Investments		
(I). Gross value of Investments		
a) In India	1,360.75	1,563.51
b) Outside India	-	-
(II) Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
(III) Net value of Investments	1,360.75	1,563.51
a) In India	-	-
b) Outside India	-	-
B. Movement of provisions held towards depreciation on Investments.		
Opening balance	-	17.73
Add: Provisions made during the year	-	-
Less: Write-off / write-back of excess provisions during the year	-	(17.73)
Closing balance	-	-



Note - 51
Disclosures in terms of Annex XVI of the RBI Directions, 2016 (continued):

iii. Disclosures relating to derivatives:
The Company does not have any forward rate agreement / Interest rate swaps / exchange traded Interest rate (IR) derivatives during the year. (31 March 2022: ₹ Nil)

iv. Asset Liability Management Maturity pattern of certain items of Asset and Liabilities:
In accordance with the Reserve Bank of India ("RBI") guidelines for Asset Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

(Amount in ₹ crore)						
Maturity pattern of assets and liabilities as at 31 March 2023:	Deposits	Advances	Investments	Foreign currency assets	Borrowings	Foreign currency liabilities
1 day to 7 days	-	13.78	-	-	-	-
8 day to 14 days	-	13.78	-	-	-	-
15 day to 30/31 days (One month)	-	13.78	-	-	4.20	-
Over one month and upto 2 months	-	39.96	-	-	28.64	-
Over two months and upto 3 months	-	38.58	-	-	0.47	-
Over 3 months and upto 6 months	-	107.47	100.00	-	1.47	-
Over 6 months and upto 1 year	-	344.44	3.35	-	125.47	-
Over 1 year and upto 3 years	-	395.94	326.10	-	185.39	-
Over 3 years and upto 5 years	-	310.00	-	-	9.14	-
Over 5 years	-	141.42	931.30	-	30.60	-

(Amount in ₹ crore)						
Maturity pattern of assets and liabilities as at 31 March 2022:	Deposits	Advances	Investments	Foreign currency assets	Borrowings	Foreign currency liabilities
1 day to 7 days	-	162.25	-	-	37.50	-
8 day to 14 days	-	162.25	-	-	37.50	-
15 day to 30/31 days (One month)	-	324.49	357.22	-	73.00	-
Over one month and upto 2 months	-	576.88	-	-	165.30	-
Over two months and upto 3 months	-	432.66	-	-	121.23	-
Over 3 months and upto 6 months	-	409.22	100.00	-	593.65	-
Over 6 months and upto 1 year	-	383.24	-	-	208.24	-
Over 1 year and upto 3 years	-	675.51	-	-	446.37	-
Over 3 years and upto 5 years	-	313.56	173.00	-	29.91	-
Over 5 years	-	268.36	931.30	-	-	-

Notes:
(a) The above borrowings exclude accrued interest.
(b) The advances comprises of gross loan portfolio, accrued interest and other Ind AS adjustments.
(c) Advances and borrowings are adjusted for moratorium granted pursuant to RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 07 April 2020 and 23 May 2020

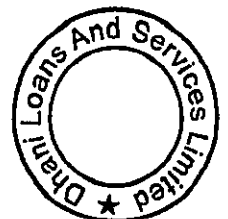
(Amount in ₹ crore)		
Category	As at 31 March 2023	As at 31 March 2022
Direct exposure		
(i) Residential mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	133.23	217.06
(ii) Commercial real estate: Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure will also include non-fund based (NFB) limits.	44.16	79.77
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures: a. Residential b. Commercial real estate	-	-
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	177.39	296.83

* as per contractual receivables at balance sheet date.

(Amount in ₹ crore)		
Particulars	As at 31 March 2023	As at 31 March 2022
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's 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	-	-

* as per contractual receivables at balance sheet date.

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 51

Disclosures in terms of Annex XVI of the RBI Directions, 2016 (continued):

v. (c) Details of financing of parent company products

- There is no financing during the current year.

v. (d) Details of Single Borrower Limits (SBL)/ Group Borrower Limits (GBL) exceeded

- The Company has not exceeded the SBL/GBL prudential exposure limits during the year as set by the Reserve Bank of India.

v. (e) Unsecured advances - Refer note 5 of financial statements

vi. Registration under other regulators

- The Company is not registered under any other regulator other than Reserve Bank of India.

vii. Penalties imposed by RBI and other Regulators

- Penalties imposed by RBI on the company for the year amounted to ₹ 7.60 Lakhs (FY 2021-22: ₹ Nil).

viii. Disclosure on frauds pursuant to RBI Master direction

- The frauds detected and reported for the year amounted to ₹ 5,408.74 lakh (FY 2021-22: ₹ 243.40 lakh).

(ix) Related party transactions:-

Please refer note no 45

(x) Revenue Recognition

Revenue recognition has not been postponed by the Company during the year (previous year NIL) due to any pending resolutions of significant uncertainties.

xi. Provision and contingencies

Break up of Provisions and Contingencies shown under the head expenditure in statement of profit and loss	(Amount in ₹ crore)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Provision for depreciation on investment	-	(17.73)
Provision towards non-performing assets	(183.03)	(106.72)
Provision made towards income tax [net of advance tax]	-	-
Other provision and contingencies (with details)		
i) Provision for compensated absences	(2.26)	2.98
ii) Provision for gratuity	5.07	5.70
Provision for other assets	0.88	(16.11)
Provision for Standard assets	369.41	462.72

xii. Draw down from reserves

- The Company has not made any drawdown from reserves.

xiii. Concentration of advances, exposures & NPA's *

a. Concentration of advances

Particulars	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers*	1,155.42	1,121.77
Percentage of advances to twenty largest borrowers to total advances of the NBFC on borrowers * as per contractual receivables at balance sheet date.	81.42%	30.23%

b. Concentration of exposures

Particulars	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
Total exposures to twenty largest borrowers*	1,155.42	1,121.77
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers * as per contractual receivables as per balance sheet date.	81.42%	30.23%

c. Concentration of NPA's

Particulars	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
Total exposure to top four NPA accounts*	4.52	55.78
* as per contractual receivables as per balance sheet date.		



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 51
Disclosures in terms of Annex XVI of the RBI Directions, 2016 (continued):

d. Sector-wise distribution of NPAs*

Particulars	% of NPAs to total advances	
	As at 31 March 2023	As at 31 March 2022
Agriculture & allied activities	0.00%	0.00%
MISME	0.27%	1.31%
Corporate borrowers	0.05%	0.80%
Services	0.24%	0.97%
Unsecured personal loans	0.00%	0.00%
Auto loans	0.00%	0.00%
Other personal loans	3.54%	11.75%

* as per contractual receivables as per balance sheet date.

xiv. Movement of NPAs

Particulars	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
a. Net NPAs to Net Advances (%)	1.24%	9.39%
b. Movement of NPAs (Gross)		
i) Opening balance	551.53	427.02
ii) Addition during the year	1,609.28	635.29
iii) Reduction during the year	(2,102.89)	(510.78)
iv) Closing balance	58.42	551.53
c. Movement of Net NPAs		
i) Opening balance	327.11	45.88
ii) Addition during the year	319.53	310.73
iii) Reduction during the year	(629.59)	(79.51)
iv) Closing balance	17.05	327.11
d. Movement of provisions for NPA (excluding provisions on standard assets)		
i) Opening balance	224.42	331.14
ii) Provision made during the year	1,290.25	324.56
iii) Reduction during the year	(1,473.30)	(431.27)
iv) Closing balance	41.37	224.42

xv. Overseas assets

There are no overseas asset owned by the Company.

xvi. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

xvii. Remuneration of directors-

Please refer to note no 45

xviii. The Company has been assigned the following credit ratings:

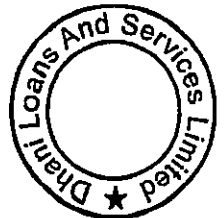
Facility	Name of Rating Agency	As at 31 March 2023	As at 31 March 2022
Non-convertible debentures - Public Issue	Credit Analysis & Research Limited	CARE BBB+ (Negative)	CARE A (CWD)
	Brickwork Ratings India Pvt Ltd.	BWR A+ (CWD)	BWR AA/Stable
	Infomerics Valuation And Rating Private Limited	IVR A (CWDI)	IVR AA/ Stable
Non-convertible debentures - Privately Issue	Brickwork Ratings India Pvt Ltd.	BWR A+ (CWD)	BWR AA/Stable
	Credit Analysis & Research Limited	-	-
	Brickwork Ratings India Pvt Ltd.	-	-
Commercial papers	Credit Analysis & Research Limited	-	-
	Brickwork Ratings India Pvt Ltd.	BWR A1	BWR A1+
	Brickwork Ratings India Pvt Ltd.	-	-
Bank borrowings	Credit Analysis & Research Limited	CARE BBB+ (Negative)	CARE A (CWD)
	Brickwork Ratings India Pvt Ltd.	BWR A+ (CWD)	BWR AA/Stable
	Infomerics Valuation And Rating Private Limited	IVR A (CWDI)	IVR AA/ Stable

xix. Disclosure of Complaints

1) Summary Information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Complaints received by the NBFC from its customers		
1. No. of complaints pending at the beginning of the year	396	265
2. No. of complaints received during the year	10,961	9,857
3. No. of complaints disposed during the year	11,335	9,726
3.1 of which, number of complaints rejected by the NBFC	-	-
4. No. of complaints pending at the end of the year	22	396
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	2,604	2,802
5.1 of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	2,353	2,743
5.2 of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	51	59
5.3 of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

(This space has been intentionally left blank)



Note - 51
Disclosures in terms of Annex XVI of the RBI Directions, 2016 (continued):

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% Increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 3, number of complaints pending beyond 30 days
1	2	3	4	5	6
For the year ended 31 March 2023					
KYC Mfe-Use	57	3,043	144.00	4	-
DOF Cancellation	17	539	(11.00)	-	-
EMI Payment Related	74	483	(70.00)	-	-
DOF Subscription Charges Related	11	224	(74.00)	-	-
Dhantl Pay Wallet Related	26	78	(84.00)	-	-
Others	211	6,594	30.00	13	-
Total	396	10,961		17	-
For the year ended 31 March 2022					
EMI Payment Related	45	1,589	NA	74	4
KYC Mfe-Use	-	1,249	NA	57	2
DOF Subscription Charges Related	-	856	2.00	11	1
DOF Cancellation related	1	607	NA	17	1
Dhantl Pay Wallet Related	27	498	(12.00)	26	-
Others	192	5,058	53.00	211	23
Total	265	9,857		396	31

Note - 52

COVID 19 Regulatory Package -

(i) Asset classification and provisioning pursuant to the notification Vide: DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of abovementioned the RBI circular.		
(ii) Respective amount where asset classification benefits is extended	Nil	Nil
(iii) Provisions made during the quarter ended 31 March 2021 in terms of paragraph 5 of the above circular	Nil	Nil
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	Nil	Nil

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020.

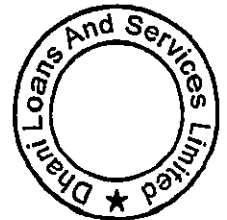
(ii) Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021:

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	18,283.44	2,289.03	15,395.42	393.27	205.72
Corporate persons*	3.10	3.10	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	180.07	126.64	28.22	-	25.21
Total	18,466.61	2,418.77	15,423.64	393.27	230.93

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	22,706.03	0.67	1,223.90	1,302.74	20,178.72
Corporate persons*	43.04	-	1.09	14.70	27.25
Of which, MSMEs	-	-	-	-	-
Others	227.41	-	7.15	8.46	211.80
Total	22,976.48	0.67	1,232.14	1,325.90	20,417.77

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 52 (Continued)

(iii) Disclosures for the year ended 31 March 2023 pursuant to RBI Notification RBI/2020-21/17 DOR.No.BF/BC/3/21.04.048/2020-21 dated 06 August 2020 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances having exposure less than or equal to ₹ 25 crores).

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number of accounts restructured	(Amount in ₹ Lakh)	Number of accounts restructured	(Amount in ₹ Lakh)
Type of borrower				
MSMEs	14.00	30.81	97	358.94
Total	14.00	30.81	97	358.94

(iv) The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme ("the Scheme") for grant of ex-gratia payment being difference between compounded interest and simple interest for six months period from 1 March 2020 to 31 August 2020 to eligible borrowers as per the Scheme. The management has credited the differential interest in the borrower accounts in line with the requirement of the Scheme and does not have any impact on the standalone financial statements. The Company have received the entire amount from Government of India.

(v) In view of the Hon'ble Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as Impaired (non-performing assets (NPA)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Company had not classified any additional borrower account as NPA as per RBI or other regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has complied with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with the ECL model/framework under IndAS in the standalone financial statements for the year ended 31 March 2021.

(vi) In accordance with the instructions vide RBI circular dated April 07 2021, and the Indian Banks' Association (IBA) advisory letter dated 19 April 2021, the Company has put in place a Board approved policy to refund / adjust the 'interest on interest' charged to borrowers during the moratorium period i.e., 1 March 2020 to 31 August 2020.

(vii) In terms of Circular no. RBI/2014-15/458, DNBR(PD).CC.No 019/03.10.01/2014-15 dated February 06, 2015, every NBFC is required to become a member of all Credit Information Companies. As of the date of these financial statements, the Company has obtained the membership of Equifax Information Services Private Limited, CRIF High Mark Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and Credit Information Bureau (India) Limited.

(viii) With reference to RBI Circular No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12 2021, and subsequent RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022, related to upgradation of accounts classified as NPA, the Company has opted to follow the RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 to be in compliance with aforesaid RBI circular.

Note - 53

Disclosures in terms of Annex II of the RBI Directions, 2016:

i. Funding Concentration based on significant counterparty for the year ended 31 March 2023

Sr. no.	Number of Significant Counterparties	Amount (₹ in crores)	% of Total Deposits	% of Total Liabilities
1	2	71.93	N.A	12.11%

Funding Concentration based on significant counterparty for the year ended 31 March 2022

Sr. no.	Number of Significant Counterparties	Amount (₹ in crores)	% of Total Deposits	% of Total Liabilities
1	8	1,173.56	N.A	53.98%

Notes:

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

ii. Top 20 large deposits

- There is no deposit outstanding as at 31 March 2023 (FY 2021-22: ₹ Nil)

iii. Top 10 borrowings

As at 31 March 2023	Amount (₹ in crores)	% of Total Borrowings
Top 10 Borrowings	71.93	100.00%

As at 31 March 2022	Amount (₹ in crores)	% of Total Borrowings
Top 10 Borrowings	1,173.56	100.00%

iv. Funding Concentration based on significant instrument/product for the year ended 31 March 2023

Sr. no.	Particulars	Amount (₹ in crores)	% of Total Liabilities
1	Non-convertible debentures	320.97	54.01%

Funding Concentration based on significant instrument/product for the year ended 31 March 2022

Sr. no.	Particulars	Amount (₹ in crores)	% of Total Liabilities
1	Non-convertible debentures	545.06	23.03%

Notes:

- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

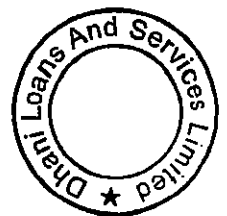
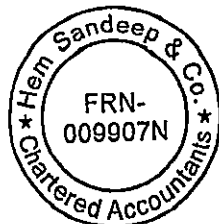
v. Stock Ratios:

a. Commercial papers

- There is no commercial papers outstanding as at 31 March 2023 (FY 2021-22: ₹ Nil).

b. Non-convertible debentures (original maturity of less than one year)

- There is no Non-convertible debentures with original maturity of less than one year outstanding as at 31 March 2023 (FY 2021-22: ₹ Nil).



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 53
Disclosures in terms of Annex II of the RBI Directions, 2016 (continued):

c. Other short-term liabilities

Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
As at 31 March 2023			
Loans repayable on demand from banks	0.00%	0.00%	0.00%
As at 31 March 2022			
Loans repayable on demand from banks	27.53%	6.89%	2.12%

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held as warranted from time to time.

Note - 54

(a) Disclosures of liquidity coverage ratio (LCR) in terms of Annex III of the RBI Directions, 2016

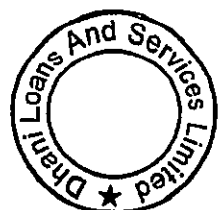
(Amount in ₹ crore)

Particulars	Q4 FY 22-23		Q3 FY 22-23		Q2 FY 22-23		Q1 FY 22-23	
	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value
Cash and Bank Balance	4,328.68	4,328.68	2,646.91	2,646.91	12,447.57	12,447.57	37,991.94	37,991.94
High Quality Liquid Assets (HQLA)	4,328.68	4,328.68	2,646.91	2,646.91	12,447.57	12,447.57	37,991.94	37,991.94
Cash outflows								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	7,067.26	8,127.35	791.97	910.77	10,717.61	12,325.25	35,762.06	41,126.37
Additional requirements	-	-	-	-	-	-	-	-
- Outflows related to derivative exposure and other collateral requ	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	-	-	-	-	-	-	-	-
Other contingent funding obligations	-	-	-	-	-	-	-	-
Total cash outflows	7,067.26	8,127.35	791.97	910.77	10,717.61	12,325.25	35,762.06	41,126.37
Cash inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing advances	4,420.80	3,315.60	5,202.19	3,901.64	10,589.25	7,941.94	22,970.00	17,227.50
Other cash inflows	-	-	-	-	-	-	-	-
Total cash inflows	4,420.80	3,315.60	5,202.19	3,901.64	10,589.25	7,941.94	22,970.00	17,227.50
Total HQLA		4,328.68		2,646.91		12,447.57		37,991.94
Total net cash outflows over next 30 days (Weighted value of total cash outflow - Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		4,811.75		227.69		4,383.31		23,898.87
Liquidity coverage ratio (%)		89.96%		1162.49%		283.98%		158.97%

Note-1: The above LCR of 89.96% is computed based on the average monthly cash inflows and outflows for Q4 FY 22-23. The LCR for Q4 FY 22-23 computed based on the average of the respective LCRs (not adjusted for average cash inflows and outflows) for each of the months in Q4 FY 22-23 is calculated at 5832.04%.

Note-2: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Particulars	Q4 FY 21-22		Q3 FY 21-22		Q2 FY 21-22		Q1 FY 21-22	
	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value
Cash and Bank Balance	133.03	133.03	139.65	139.65	110.77	110.77	474.94	474.94
High Quality Liquid Assets (HQLA)	133.03	133.03	139.65	139.65	110.77	110.77	474.94	474.94
Cash outflows								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	147.71	169.87	40.84	46.97	124.45	143.12	307.03	353.09
Additional requirements	-	-	-	-	-	-	-	-
- Outflows related to derivative exposure and other collateral requ	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	-	-	-	-	-	-	-	-
Other contingent funding obligations	-	-	-	-	-	-	-	-
Total cash outflows	147.71	169.87	40.84	46.97	124.45	143.12	307.03	353.09
Cash inflows								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing advances	656.00	492.00	14.66	11.00	293.02	219.76	380.00	285.00
Other cash inflows	-	-	-	-	-	-	-	-
Total cash inflows	656.00	492.00	14.66	11.00	293.02	219.76	380.00	285.00
Total HQLA		133.03		139.65		110.77		474.94
Total net cash outflows over next 30 days (Weighted value of total cash outflow - Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		42.47		35.97		35.78		88.27
Liquidity coverage ratio (%)		313.26%		388.25%		309.58%		538.04%



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 54

(a) Disclosures of Liquidity coverage ratio (LCR) in terms of Annex III of the RBI Directions, 2016 (continued)

Note-1: The above LCR of 313.26% is computed based on the average monthly cash inflows and outflows for Q4 FY 21-22. The LCR for Q4 FY 21-22 computed based on the average of the respective LCRs (not adjusted for average cash inflows and outflows) for each of the months in Q4 FY 21-22 is calculated at 325.41%.

Note-2: In computing, the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Note-3:

a. Unweighted Values: Inflows and outflows within 1 month are considered as per outstanding balances that mature in 1 month.

b. Weighted values are calculated as per the applicable haircut or stress factors.

c. Below is level of minimum LCR in terms of Annex III of the RBI Directions, 2016

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	30%	50%	60%	85%	100%

(b) Disclosure of Foreign Currency Exposures:

Particulars	Foreign Currency	Exchange Rate	Year ended 31 March 2023		Year ended 31 March 2022	
			Amount in Foreign Currency	Amount ₹. in Crores	Amount in Foreign Currency (USD)	Amount ₹. in Crores
I. Assets						
Receivables (trade & other)	NA	-	-	-	-	-
Other Monetary assets	NA	-	-	-	-	-
Total Receivables (A)	NA	-	-	-	-	-
Hedges by derivative contracts (B)	NA	-	-	-	-	-
Unhedged receivables (C=A-B)	NA	-	-	-	-	-
II. Liabilities						
Payables (trade & other)						
Borrowings (FCB and Others)	USD	-	-	-	-	-
Total Payables (D)	USD	-	-	-	-	-
Hedges by derivative contracts (E)	USD	-	-	-	-	-
Unhedged Payables F=D-E	USD	-	-	-	-	-
III. Contingent Liabilities and Commitments						
Contingent Liabilities	NA	-	-	-	-	-
Commitments	NA	-	-	-	-	-
Total (G)	NA	-	-	-	-	-
Hedges by derivative contracts (H)	NA	-	-	-	-	-
Unhedged Payables (I=G-H)	NA	-	-	-	-	-
Total unhedged FC Exposures (I=C+E+I)	NA	-	-	-	-	-

Note - 55

Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STE.REC 51/21.04.048/2021-22 dated 24th September 2021

(a) Details of transfer through assignment in respect of loans not in default during the year ended 31 March 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Entity	NA	NBFC
Count of Loan accounts Assigned	NA	77
Amount (₹ Crore) of Loan accounts Assigned	NA	126.85
Retention of beneficial economic Interest (MRE) (₹ Crore)	NA	13.09
Weighted Average Maturity (Residual Maturity) (Months)	NA	281.55
Weighted Average Holding Period (Months)	NA	40.55
Coverage of tangible security coverage	NA	1
Rating-wise distribution of rated loans	NA	Unrated

(b) Details of stressed loans transferred during the year:

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	To Asset Reconstruction Companies (ARC)			To Asset Reconstruction Companies (ARC)		
	NPA	SMA	Total	NPA	SMA	Total
Number of accounts	25,34,246	NIL	25,34,246	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred (₹ in crore)	2,375.00	NIL	2,375.00	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred (in years)	1.30	NIL	1.30	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer) (₹ in crore)	1,316.76	NIL	1,316.76	NIL	NIL	NIL
Aggregate consideration (₹ in crore)	603.00	NIL	603.00	NIL	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL	NIL	NIL	NIL
Excess provisions reversed to the Profit and Loss Account on account of sale	NIL	NIL	NIL	NIL	NIL	NIL

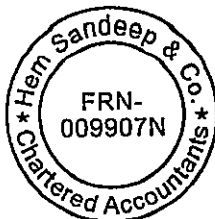
(c) The Company has not acquired any stressed loan during the year ended 31st March 2023.

Note - 56

Details on recovery ratings assigned for Security Receipts as on 31st March 2023:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Anticipated recovery as per recovery rating	Amount (₹ in Lakhs)	Anticipated recovery as per recovery rating	Amount (₹ in Lakhs)
RR1	100% - 150%	32,610.38	100% - 150%	17,500.00
Total		32,610.38		17,500.00

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 57

Employee stock option schemes:

The Holding Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of its employees and its subsidiary companies.

A. Grants during the year:

The Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan - EWT") ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme - 2008 & 2009" (Scheme) for the benefit of its employees and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 1,16,00,000 (One crore sixteen lakh) lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) to the employees of the Holding Company and its subsidiaries. The Holding Company has granted 18,00,000 and 98,00,000 employees stock options under DSL ESOP-2008 and DSL ESOP-2009 schemes respectively. Detail of same is as below:

Name of Scheme	DSL ESOP - 2008	DSL ESOP - 2009
No. of options	18,00,000	98,00,000
Exercise price (₹)	30	30

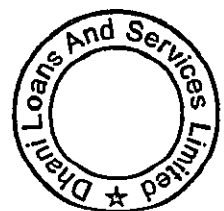
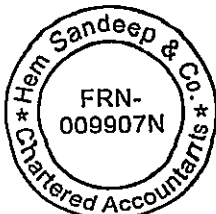
B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP -

	DSL ESOP - 2008				
	97,00,000 (Regrant)	8,80,600 (Regrant)	2,00,00,000 (Regrant)	18,00,000 (Regrant)	17,00,000 (Regrant)
Total options under the scheme (Nos.)					
Options granted (Nos.)					
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2nd July each year, commencing 2 July 2017	25 th March each year, commencing 25 March 2019	28 th June each year, commencing 28 June 2023	25 th February each year, commencing 25 February 2023	01 st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	24.15	254.85	30	68	150
Outstanding at the beginning of 1 April 2021 (Nos.)	46,24,800	86,800	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	18,00,000	17,00,000
Forfeited during the year (Nos.)	30,000	59,400	-	-	17,00,000
Exercised during the year (Nos.)	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	45,94,800	27,400	-	18,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)	45,94,800	-	-	-	-
Remaining contractual life (weighted months)	42	72	-	95	-
Outstanding at the beginning of 1 April 2022 (Nos.)	45,94,800	27,400	-	18,00,000	-
Granted/ regranted during the year (Nos.)	-	-	18,00,000	-	-
Forfeited during the year (Nos.)	5,50,400	27,400	-	18,00,000	-
Exercised during the year (Nos.)	22,00,000	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-	-
Outstanding as at 31 March 2023 (Nos.)	18,44,400	-	18,00,000	-	-
Vested and exercisable as at 31 March 2023 (Nos.)	18,44,400	-	-	-	-
Remaining contractual life (weighted months)	30	-	87	-	-

Weighted average exercise price of share during the year ended 31 March 2023: Not applicable (31 March 2022: Not applicable).

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

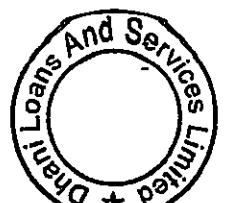
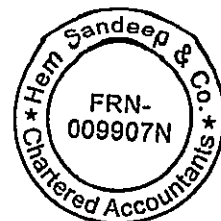
Note - 57

Employee Stock Option Schemes (continued)

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP)

	<u>DSL ESOP - 2009</u>	<u>DSL ESOP - 2009</u>	<u>DSL ESOP - 2009</u>	<u>DSL ESOP - 2009</u>
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000 (Regrant)	98,00,000 (Regrant)	1,00,00,000 (Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13 th April each year, commencing 13 April 2011	13 th May each year, commencing 13 May 2017	28 th June each year, commencing 28 June 2023	2 nd September each year, commencing 2 September 2018
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16	30	219.65
Outstanding at the beginning of 1 April 2021 (Nos.)	50,000	25,25,600	-	26,85,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	24,000	-	13,88,800
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	50,000	25,01,600	-	12,96,800
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Remaining contractual life (Weighted Months)	36	43	-	65
Outstanding at the beginning of 1 April 2022	50,000	25,01,600	-	12,96,800
Granted/ regranted during the year (Nos.)	-	-	98,00,000	-
Forfeited during the year (Nos.)	-	7,11,200	-	12,96,800
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2023 (Nos.)	50,000	17,90,400	98,00,000	-
Vested and exercisable as at 31 March 2023 (Nos.)	50,000	17,90,400	-	-
Remaining contractual life (Weighted Months)	24	31	87	-
			<u>DSL ESOP - 2009</u>	<u>DSL ESOP - 2009</u>
Total options under the Scheme (Nos.)			2,00,00,000	2,00,00,000
Options granted (Nos.)			98,00,000 (Regrant)	84,00,000 (Regrant)
Vesting period and percentage			Five years, 20% each year	Five years, 20% each year
Vesting date			25 th February each year, commencing 25 February 2023	01 st April each year, commencing 01 April 2022
Exercisable period			5 years from each vesting date	5 years from each vesting date
Exercise price (₹)			68.00	150.00
Outstanding at the beginning of 1 April 2021			-	-
Granted/ regranted during the year (Nos.)			98,00,000	84,00,000
Forfeited during the year (Nos.)			-	84,00,000
Exercised during the year (Nos.)			-	-
Expired during the year (Nos.)			-	-
Surrendered and eligible for re-grant during the year (Nos.)			-	-
Outstanding as at 31 March 2022 (Nos.)			98,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)			-	-
Remaining contractual life (Weighted Months)			95	-
Outstanding at the beginning of 1 April 2022			98,00,000	-
Granted/ regranted during the year (Nos.)			-	-
Forfeited during the year (Nos.)			98,00,000	-
Exercised during the year (Nos.)			-	-
Expired during the year (Nos.)			-	-
Surrendered and eligible for re-grant during the year (Nos.)			-	-
Outstanding as at 31 March 2023 (Nos.)			-	-
Vested and exercisable as at 31 March 2023 (Nos.)			-	-
Remaining contractual life (Weighted Months)			-	-

Weighted average exercise price of share during the year ended 31 March 2023: Nil (31 March 2022: Nil)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 57

Employee Stock Option Schemes (continued)

(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

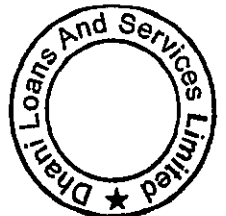
This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Holding Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has appropriated 10,400,000 fully paid up equity shares purchased by the Trust under the Scheme.

	<u>DSL-ESBS 2019</u>
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
Outstanding at the beginning of 1 April 2021 (Nos.)	1,04,00,000
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
Outstanding as at 31 March 2022 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	65
Outstanding at the beginning of 1 April 2022 (Nos.)	1,04,00,000
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	1,04,00,000
Outstanding as at 31 March 2023 (Nos.)	-
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 57

Employee Stock Option Schemes (continued)**(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Holding Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has appropriated 93,00,000 fully paid up equity shares purchased by the Trust under the Scheme.

	<u>DSL-ESBS 2020</u>
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7 th April each year, commencing 7 April 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
Outstanding as at 1 April 2021 (Nos.)	-
Granted/ regranted during the year	93,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant	-
Outstanding as at 31 March 2022	93,00,000
Vested and exercisable as at 31 March 2022	NA
Remaining contractual life (Weighted Months)	NA
Remaining contractual life (Weighted Months)	-
Outstanding as at 1 April 2022 (Nos.)	93,00,000
Granted/ regranted during the year	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	93,00,000
Outstanding as at 31 March 2023	-
Vested and exercisable as at 31 March 2023	-
Remaining contractual life (Weighted Months)	-
Remaining contractual life (Weighted Months)	-

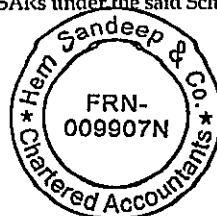
(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 06 March 2021; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 15 April 2021, result of which were declared on 16 April

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2021 ("ESOP Plan 2021")
- Dhani Services Limited Employees Stock Purchase Plan 2021 ("ESP Plan 2021")
- Dhani Services Limited Stock Appreciation Rights Plan 2021 ("SARs Plan 2021")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Holding Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 1,05,00,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has not granted any options/ SARs under the said Scheme as at 31 March 2022.



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 57

Employee Stock Option Schemes (continued)

C. Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	97,00,000 Options Regranted	DSL ESOP - 2008 8,80,600 Options Regranted	18,00,000 Options Regranted
1. Exercise price (₹)	24.15	254.85	68.00
2. Expected volatility *	42.97%	47.15%	69.05%
3. Option Life (Weighted Average) (in years)	6	6	6
4. Expected Dividends yield	10.82%	1.10%	1.01%
5. Risk Free Interest rate	7.45%	7.56%	5.50%
6. Fair value of the options (₹)	4.31	130.05	34.58

	20,50,000 Options	DSL ESOP - 2009 95,00,000 Options Regranted	1,00,00,000 Options Regranted
1. Exercise price (₹)	31.35	16	219.65
2. Expected volatility *	48.96%	40.74%	46.70%
3. Expected forfeiture percentage on each	Nil	Nil	Nil
4. Expected dividends yield	6.86%	16.33%	1.27%
5. Risk free interest rate	8.05%	7.45%	6.54%
6. Fair value of the options (₹)	9.39	1.38	106.31

* The expected volatility was determined based on historical volatility data.

	DSL ESOP - 2009 98,00,000 Options	DSL-ESBS 2020 93,00,000 SARs	DSL-ESBS 2019 1,04,00,000 SARs
1. Exercise price (₹)	68	250	250
2. Expected volatility *	69.05%	76.57%	68.45%
3. Expected forfeiture percentage on each	6	Nil	Nil
4. Expected dividends yield	1.01%	1.26%	1.71%
5. Risk free interest rate	5.50%	4.36%	4.17%
6. Fair value of the options (₹)	34.58	65.82	55.49

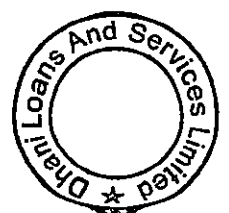
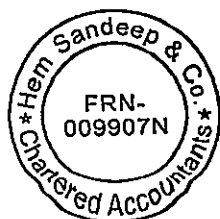
* The expected volatility was determined based on historical volatility data.

	DSL ESOP - 2008 & 2009 18,00,000 and 98,00,000 Options				
	28-Jun-23	28-Jun-24	28-Jun-25	28-Jun-26	28-Jun-27
1. Vesting Date					
2. Exercise price (₹)	30	30	30	30	30
3. Expected volatility *	70.92%	68.20%	66.66%	65.39%	63.19%
4. Expected forfeiture percentage on each	Nil	Nil	Nil	Nil	Nil
5. Expected dividends yield	0.66%	0.66%	0.66%	0.66%	0.66%
6. Risk free interest rate	6.70%	6.87%	6.97%	7.05%	7.09%
7. Fair value of the options (₹)	15.69	17.00	18.15	19.09	19.69
8. Average Price			17.92		

* The expected volatility was determined based on historical volatility data.

D. Share based payment expense:

The Company has recognised reversal of Share based payments expense to employees of ₹ 3,905.79 lakh (31 March 2022: expense of ₹ 2,502.91 lakh) in the Standalone Statement of Profit and loss for the year ended 31 March 2023.



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -58
Disclosed with regard to CSR Activities pursuant to MCA notification dated 24th March 2021

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Amount required to be spend by the company during the year	-	333.50
(b) Amount of expenditure incurred	-	333.50
(c) Shortfall at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Reason for the shortfall	-	-
(f) Nature of CSR activities	NA	Free distribution of medicines including health care services
(g) Details of related parties transactions	-	-
(h) Movements in the provision during the year.	-	-

Note -59
Loans to Directors, Senior Officers and relatives of Directors (Amount in ₹ crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

Note -60
Disclosures under Scale Based Regulation pursuant to RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.016/2022-23 dated 19 April 2022:

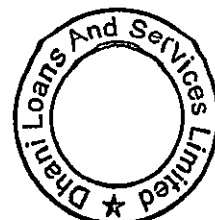
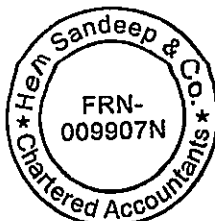
A) Exposure:
1) Exposure to real estate sector: Refer note 51 vi. (a)

2) Exposure to capital market: (Amount in ₹ crore)

Particulars	As at 31 March 2023	As at 31 March 2022
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows / Issues;	-	-
viii. Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix. Financing to stockbrokers for margin trading	-	-
x. All exposures to Alternative Investment Funds:	-	-
a) Category I	-	-
b) Category II	-	-
c) Category III	-	-
xi. All exposures to venture capital funds (both registered and unregistered)	-	-
Total exposure to capital market	-	-

3) Sectoral exposure: (Amount in ₹ crore)

Sr.	Sectors	As at 31 March 2023			As at 31 March 2022		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	0%	-	-	0%
2	Industry	-	-	0%	-	-	0%
3	Services	262.64	7.48	2.85%	441.32	52.22	11.83%
4	Personal Loans	88.25	50.52	57.25%	2,068.01	435.72	21.07%
5	Others	1,068.26	0.12	0.04%	1,199.08	63.59	5.30%



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakh unless stated otherwise)

Note -60

Disclosures under Scale Based Regulation pursuant to RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022:

4) Intra-group exposures:

Particulars	(Amount in ₹ crore)	
	As at 31 March 2023	As at 31 March 2022
i) Total amount of intra-group exposures	411.00	-
ii) Total amount of top 20 intra-group exposures	411.00	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	28.96%	NA

5) Unhedged foreign currency exposure:

The Company has no unhedged foreign currency exposures as on 31 March 2023 (31 March 2022: Nil) (Refer note- 54 b)

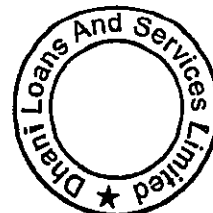
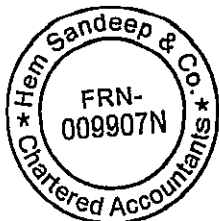
B) Disclosure of Complaints:

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2023	As at 31 March 2022
Complaints received by the NBFC from its customers		
1. No. of complaints pending at the beginning of the year	396	265
2. No. of complaints received during the year	10,961	9,857
3. No. of complaints disposed during the year	11,335	9,726
3.1 of which, number of complaints rejected by the NBFC	-	-
4. No. of complaints pending at the end of the year	22	396
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	2,604	2,802
5.1 of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	2,553	2,743
5.2 of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	51	59
5.3 of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Top five grounds of complaints received by the NBFCs from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current year					
KYC Mis-Use	57	3,043	144.00	4	-
DOF Cancellation	17	539	(11.00)	-	-
EMI Payment Related	74	483	(70.00)	-	-
DOF Subscription Charges Related	11	224	(74.00)	-	-
Dhani Pav Wallet Related	26	78	(81.00)	-	-
Others	211	6,594	30.00	13	-
Total	396	10,961		17	-
Previous year					
KYC Mis-Use	-	1,249	NA	57	2
DOF Cancellation related	1	607	NA	17	1
EMI Payment Related	45	1,589	2.00	74	4
DOF Subscription Charges Related	-	856	NA	11	1
Dhani Pav Wallet Related	27	498	(12.00)	26	-
Others	192	5,058	53.00	211	23
Total	265	9,857		396	31



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -61

Disclosure relating to Securitisation pursuant to Reserve Bank of India notification RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021 for Non-STC Securitisation transactions.

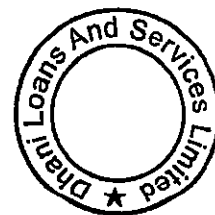
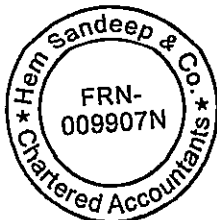
Particulars	(Amount in ₹ crore)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
A) For Non-STC Securitisation transactions:		
1. No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	1	-
2. Total amount of securitised assets as per books of the SPEs	79.83	-
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
i) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
ii) On-balance sheet exposures		
- First loss	16.88	-
- Others	-	-
4. Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
- Exposure to own securitisations	-	-
- First loss	-	-
- Others	-	-
- Exposure to third party securitisations	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- Exposure to own securitisations	-	-
- First loss	-	-
- Others	-	-
- Exposure to third party securitisations	-	-
- First loss	-	-
- Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation		
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent 60 etc. Mention percent in bracket as of total value of facility provided		
Investment in Series A2 PTC		
(a) Amount paid	16.88	-
(b) Repayment received	-	-
(c) Outstanding amount	16.88	-
8. Average default rate of portfolios observed in the past.		
9. Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.		
(a) Number	-	-
(b) Amount	-	-
10. Investor complaints:		
(a) Directly/Indirectly received	-	-
(b) Complains outstanding	-	-

B) For STC (Simple, transparent and comparable) Securitisation Transactions: Not applicable

Note -62

Breach of covenant:

The Company has not breached any covenant of loan availed or debt securities issued.



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -63

Disclosures pursuant to RBI (Scale based Regulation) Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022:

- A) The additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5% of the reported profits before tax and impairment loss on financial instruments for the reference period.
Not applicable
- B) Additional Gross NPAs identified by RBI exceeds 5 per cent of the reported Gross NPAs for the reference period.
Not applicable

Divergence in Asset Classification and Provisioning

Sr.	Particulars	Amount
1.	Gross NPAs as on 31 March 2022 as reported by the Company	Not applicable
2.	Gross NPAs as on 31 March 2022 as assessed by the Reserve Bank of India	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on 31 March 2022 as reported by the Company	
5.	Net NPAs as on 31 March 2022 as assessed by the Reserve Bank of India	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on 31 March 2022 as reported by the Company	
8.	Provisions for NPAs as on 31 March 2022 as assessed by the Reserve Bank of India	
9.	Divergence in provisioning (8-7)	
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended 31 March 2022	
11.	Reported Net Profit after Tax (PAT) for the year ended 31 March 2022	
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 March 2022 after considering the divergence in	

* 31 March 2022 is the close of the reference period in respect of which divergences were assessed

Note - 64

Related Party disclosures under Scale Based Regulation pursuant to RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022:

Refer note - 45 for related party transactions

Note - 65

As at 31 March 2023, there were no dues required to be credited to the Investor Education and Protection Fund under Section 124(5) of the Act. (31 March 2022: ₹ Nil).

Note - 66

i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

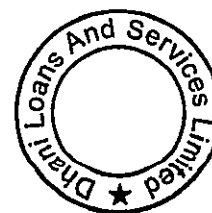
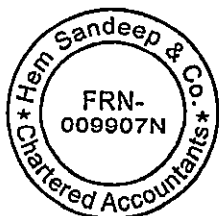
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not advanced or loaned or invested any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;

- (a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Note - 67

There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period, by the Company during the year ended 31 March 2023.



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -68

Under the Scale Based Regulations (SBR) dated September 30, 2022 of Reserve Bank of India, the Company falls under the "Middle Layer (NBFC-ML)" category.
Disclosures pursuant to RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.016/2022-23 as at and for the year ended 31 March 2023:

Corporate governance

1) Composition of the Board of Directors as at 31 March 2023:

Sl. No	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Sanjeev Kashyap	01-01-2023	Executive Director & CEO	03405178	6	2	1	15.34	-	-	1 equity share as a nominee of Dhani Services Limited
2	Ms. Ritu Kapoor Puri	04-04-2022	Executive Director	09559548	6	6	1	53.90	-	-	-
3	Mr. Akhil Gupta	26-04-2022	Non-Executive Non Independent Director	09285050	6	5	NIL	-	-	-	-
4	Mr. Akshay Kumar Tiwary	28-11-2022	Non-Executive Non Independent Director	00366348	6	2	19	-	-	-	1 equity share as a nominee of Dhani Services Limited
5	Brig. Labh Singh Sitara(Retd)	14-09-2017	Chairman, Independent Director	01724648	6	6	-	-	6.00	-	-
6	Dr. Narendra Damodar Jadhav	17-11-2020	Independent Director	02435444	6	6	5	16.00	6.00	-	-

The above mentioned sitting fee is excluding GST and the remuneration is excluding post retirement benefits.

Composition of the Board of Directors as at 31 March 2022:

Sl. No	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Ajit Kumar Mittal	14-09-2017	Non-Executive Non Independent Director	02698115	5	4	7	-	-	-	-
2	Mr. Pinank Jayant Shah	14-09-2017	Executive Director & CEO	07859798	5	5	3	194.45	-	-	-
3	Mr. Nafees Ahmed	14-09-2017	Non-Executive Non Independent Director	03496241	5	5	7	-	-	-	-
4	Dr. Narendra Damodar Jadhav	17-11-2020	Independent Director	02435444	5	5	5	12.72	5.00	-	-
5	Brig. Labh Singh Sitara (Retd.)	14-09-2017	Independent Director	01724648	5	4	1	-	5.00	-	-
6	Ms. Preetinder Virk	04-12-2018	Non-Executive Non Independent Director	02398827	5	5	6	-	-	-	-

The above mentioned sitting fee is excluding GST and the remuneration is excluding post retirement benefits.

Details of change in composition of the Board of Directors during the year ended 31 March 2023

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Ms. Preetinder Virk	Non-Executive Non Independent	Resignation	04/04/2022
2	Ms. Ritu Kapoor Puri	Executive Director	Appointment	04/04/2022
3	Mr. Ajit Kumar Mittal	Non-Executive Non Independent	Resignation	26/04/2022
4	Mr. Akhil Gupta	Non-Executive Non Independent	Appointment	26/04/2022
5	Mr. Nafees Ahmed	Non-Executive Non Independent	Resignation	01/07/2022
6	Mr. Vipin Chaudhary	Non-Executive Non Independent	Appointment	01/07/2022
7	Mr. Vipin Chaudhary	Non-Executive Non Independent	Resignation	28/11/2022
8	Mr. Akshay Kumar Tiwary	Non-Executive Non Independent	Appointment	28/11/2022
9	Mr. Pinank Jayant Shah	Executive Director & CEO	Resignation	01/01/2023
10	Mr. Sanjeev Kashyap	Executive Director & CEO	Appointment	01/01/2023

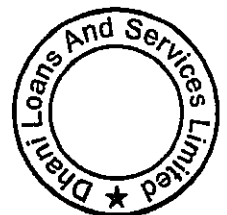
Details of change in composition of the Board of Directors during the year ended 31 March 2022

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Gagan Banga	Non-Executive Non Independent	Resignation	14/03/2022

2) Committees of the Board and their composition

1) There are following Committees of the Board:

- 1 Audit Committee
- 2 Nomination and Remuneration Committee
- 3 Stakeholders Relationship Committee
- 4 Integrated Risk Management Committee
- 5 Corporate Social Responsibility (CSR) Committee



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakh unless stated otherwise)

Note -68
Corporate governance (continued)

ii) For each committee, the summarized terms of reference are as per following:

(A) Audit Committee as at 31 March 2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Brig. Labh Singh Sitara (Retd.)	03-04-2018	Chairman, Independent Director	4	4	-
2.	Dr. Narendra Damodar Jadhav	12-02-2021	Member, Independent Director	4	4	-
3.	Mr. Sanjeev Kashyap	01-01-2023	Member, Executive Director & CEO	4	1	1 equity share as a nominee of Dhani Services Limited

Terms of reference of committees w.r.t Audit Committee:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions and regulatory requirements on Balance Sheet Disclosures;
- To hold discussions with the Auditors;
- Review and monitoring of the auditor's independence and performance and effectiveness of the audit process;
- Examination of the auditor's report on financial statements of the Company (in addition to the examination of the financial statements) before submission to the Board;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings and assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing the utilization of the funds so raised for purposes other than those stated in the relevant offer document, if any, and making appropriate recommendations to the Board in this regard;
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the whistle blower mechanism; and
- Approval to the appointment of the Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Review of information system audit of the internal systems and processes to access the operational risks faced by the Company and also ensures that the information system audit of the internal systems and processes is conducted periodically.

(B) Nomination & Remuneration Committee as at 31 March 2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Brig. Labh Singh Sitara (Retd.)	03-04-2018	Chairman, Independent Director	7	7	-
2.	Dr. Narendra Damodar Jadhav	12-02-2021	Member, Independent Director	7	7	-
3.	Mr. Akshay Kumar Tiwary	28-11-2022	Member, Non-Executive Non-Independent Director	7	2	1 equity share as a nominee of Dhani Services Limited

Nomination & Remuneration Committee:

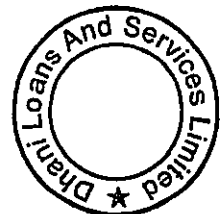
- To ensure 'fit and proper' status of all the directors on a continuing basis;
- To identify and advise Board in the matter of appointment of new Directors and senior management personnel's;
- To recommend to the Board, appointment, removal and compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors; and
- To review the evaluation of director's performance.

(C) Stakeholders Relationship Committee as at 31 March 2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Akshay Kumar Tiwary	28-11-2022	Chairman, Non-Executive Non Independent Director	4	1	1 equity share as a nominee of Dhani Services Limited
2.	Brig. Labh Singh Sitara (Retd.)	12-03-2019	Member, Independent Director	4	4	-
3.	Ms. Ritu Kapoor Puri	04-04-2022	Member, Executive Director	4	4	-

Stakeholders Relationship Committee:

- To approve requests for share transfers and transmissions.
- To approve the requests pertaining to re-issuance of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants /annual reports/statutory notices by the shareholders of the Company.



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -68

Corporate governance (continued)

(D) Integrated Risk Management Committee as at 31 March 2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/Non-Executive/ Chairman/Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Akshay Kumar Tiwary	01-01-2023	Chairman, Non-Executive Non Independent Director	12	5	1 equity share as a nominee of Dhani Services Limited
2.	Brig. Labh Singh Sitara (Retd.)	01-01-2023	Member, Independent Director	12	5	-
3.	Ms. Ritu Kapoor Puri	01-01-2023	Member, Executive Director	12	5	-
4.	Mr. Sanjeev Kashyap	25-04-2019	Member, Executive Director & CEO	12	12	1 equity share as a nominee of Dhani Services Limited
5.	Mr. Amit Kindo	01-01-2023	Member	12	5	-
6.	Mr. Rajeev Lachan Appawal	01-01-2023	Member, Chief Financial Officer	12	5	-
7.	Mr. Sumit Garg	01-01-2023	Member	12	5	-

Integrated Risk Management Committee:

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of Customer complaints received by Regulators, Courts, Legal body or Internal complaints.
- Review of Grievance Redressal Mechanism and Customers Services.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Review of Branch Audit Report/ Concurrent Audit Report of Treasury.
- Review Compliances of lapses.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities for various types/values of loans.
- Any other matter involving Risk to the asset / business of the Company.
- Evaluation of the risk management systems (in addition to the internal control systems).

(E) Corporate Social Responsibility (CSR) Committee as at 31 March 2023:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/Non-Executive/ Chairman/Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Akshay Kumar Tiwary	01-01-2023	Chairman, Non-Executive Non Independent Director	1	-	1 equity share as a nominee of Dhani Services Limited
2.	Brig. Labh Singh Sitara (Retd.)	14-09-2017	Member, Independent Director	1	1	-
3.	Ms. Ritu Kapoor Puri	01.04.2022	Member, Executive Director	1	1	-

Corporate Social Responsibility (CSR) Committee

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity; and
- To ensure compliance of all related applicable regulatory requirements.

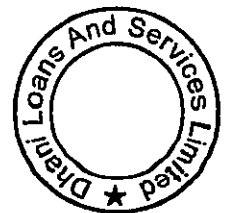
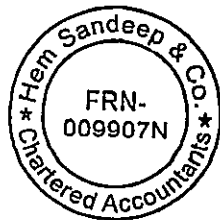
ii) For each committee, the summarized terms of reference are as per following for the year ended 31 March 2022:

(A) Audit Committee as at 31 March 2022:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/Non-Executive/ Chairman/Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Brig. Labh Singh Sitara (Retd.)	03-04-2018	Chairman, Independent Director	4	4	-
2.	Dr. Narendra Damodar Jadhav	12-02-2021	Member, Independent Director	4	4	-
3.	Mr. Arit Kumar Mittal	14-09-2017	Member, Non-Executive Non Independent Director	4	3	-

Audit Committee Composition:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions and regulatory requirements on Balance Sheet Disclosures;
- To hold discussions with the Auditors;
- Review and monitoring of the auditor's independence and performance and effectiveness of the audit process;
- Examination of the auditor's report on financial statements of the Company (in addition to the examination of the financial statements) before submission to the Board;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings and assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing the utilization of the funds so raised for purposes other than those stated in the relevant offer document, if any, and making appropriate recommendations to the Board in this regard;
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the whistle blower mechanism; and
- Approval to the appointment of the Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Review of information system audit of the internal systems and processes to assess the operational risks faced by the Company and also ensures that the information system audit of the internal systems and processes is conducted periodically.



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -68
Corporate governance (continued)

(B) Nomination & Remuneration Committee as at 31 March 2022:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Brig. Labh Singh Sitara (Retd.)	03-04-2018	Chairman, Independent Director	1	1	-
2.	Dr. Narendra Damodar Jadhav	12-02-2021	Member, Independent Director	1	1	-
3.	Mr. Ajit Kumar Mittal	14-09-2017	Member, Non-Executive Non Independent Director	1	1	-

Nomination & Remuneration Committee Composition:

- To ensure 'fit and proper' status of all the directors on a continuing basis;
- To identify and advice Board in the matter of appointment of new Directors and senior management personnel's;
- To recommend to the Board, appointment, removal and compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors; and
- To review the evaluation of director's performance.

(C) Stakeholders Relationship Committee:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Brig. Labh Singh Sitara (Retd.)	12-03-2019	Chairman, Independent Director	4	4	-
2.	Mr. Nafees Ahmed	12-03-2019	Member, Non-Executive Non-Independent Director	4	4	-
3.	Ms. Preetinder Virk	12-03-2019	Member, Non-Executive Non-Independent Director	4	4	-

Stakeholders Relationship Committee Composition:

- To approve requests for share transfers and transmissions.
- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/stock notices by the shareholders of the Company.

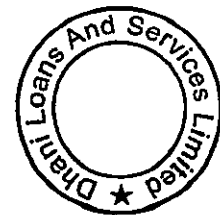
(D) Integrated Risk Management Committee as at 31 March 2022:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Ajit Kumar Mittal	14-09-2017	Chairman, Non-Executive Non-Independent Director	9	9	-
2.	Mr. Amit Ajit Gandhi	14-09-2017	Member	9	9	-
3.	Mr. Sanjeev Kashyap	25-04-2019	Member	9	9	1 equity share as a nominee of Dhani Services Limited
4.	Mr. Mahesh Arora	14-09-2017	Member	9	9	-
5.	Mr. Manish Rustagi	14-09-2017	Member, Company Secretary	9	9	-

Integrated Risk Management Committee:

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of Customer complaints received by Regulators, Courts, Legal body or internal complaints.
- Review of Grievance Redressal Mechanism and Customers Services.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Review of Branch Audit Report/ Concurrent Audit Report of Treasury.
- Review Compliances of lapses.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities for various types/values of loans.
- Any other matter involving Risk to the asset/business of the Company.
- Evaluation of the risk management systems (in addition to the internal control systems).

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note -68
Corporate governance (continued)

(E) Corporate Social Responsibility (CSR) Committee as at 31 March 2022:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Brig. Labh Singh Sitara (Retd.)	14-09-2017	Chairman, Independent Director	2	1	-
2.	Mr. Pinank Jayant Shah	14-09-2017	Member, Executive Director & CEO	2	2	-
3.	Mr. Ajit Kumar Mittal	14-09-2017	Member, Non-Executive Non-Independent Director	2	2	-
4.	Ms. Preetinder Virk	04-12-2018	Member, Non-Executive Non-Independent Director	2	2	-

Corporate Social Responsibility (CSR) Committee:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity; and
- To ensure compliance of all related applicable regulatory requirements.

3) General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings during the year ended 31 March 2023:

Sl.No.	Type of Meeting (Annual/ Extra-Ordinary)	Date	Place	Special resolutions passed
1	Annual General Meeting	29-09-2022	1/1 E, First Floor, East Patel Nagar, New Delhi-110008.	i. Re-appointment of Mr. Pinank Jayant Shah (DIN: 07859798) as a Whole-time Director & Key Managerial Personnel of the Company, for a further period of five years, with effect from September 14, 2022. ii. Re-Appointment of Brig. Labh Singh Sitara (Retd.) (DIN: 01724648) as Independent Director of the Company for a further period of five years, with effect from September 14, 2022. iii. Issue of Non-Convertible debentures and/or bonds, of the Company, on Private Placement basis. iv. Payment of remuneration to Dr. Narendra Damodar Jadhav (DIN: 02435444), Independent Director of the Company in terms of Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2	Extra-Ordinary General Meeting	30-05-2022	1/1 E, First Floor, East Patel Nagar, New Delhi-110008.	Waiver of excess Managerial Remuneration paid to Mr. Pinank Jayant Shah (DIN: 07859798), Whole-time Director & CEO of the Company, for FY 2021-22.
3	Extra-Ordinary General Meeting	02-07-2022	1/1 E, First Floor, East Patel Nagar, New Delhi-110008.	
4	Extra-Ordinary General Meeting	20-02-2023	1/1 E, First Floor, East Patel Nagar, New Delhi-110008.	

Details of the date, place and special resolutions passed at the General Body Meetings during the year ended 31 March 2022:

Sl.No.	Type of Meeting (Annual/ Extra-Ordinary)	Date	Place	Special resolutions passed
1	Annual General Meeting	13-08-2021	M - 62 & 63, First Floor, Connaught Place, New Delhi-110001	Issue of Non-Convertible debentures and/or bonds, of the Company, on Private Placement basis.
2	Extra-Ordinary General Meeting	17-06-2021	M - 62 & 63, First Floor, Connaught Place, New Delhi-110001	To consider waiver of excess Managerial Remuneration paid to Mr. Pinank Jayant Shah, Whole-time Director, (din: 07859798)
3	Extra-Ordinary General Meeting	15-12-2021	M - 62 & 63, First Floor, Connaught Place, New Delhi-110001	i. Approval to the appointment of Brig. Labh Singh Sitara (retd.) as Independent Director, who has attained the age of more than seventy five years. ii. Authority to offer, issue and allot redeemable Convertible Preference Shares (RCPs) of the Company.

4) Details of non-compliance with requirements of Companies Act,

The Company has not defaulted in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards except in respect of utilisation of securities premium as disclosed in note 22.

Note -69

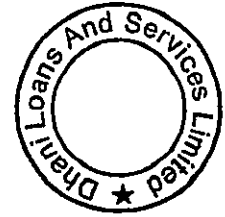
The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Note -70

The Company has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2023 (31 March 2022: ₹ Nil).

Note -71

The Company has complied with the RBI Directions, 2016 to the extent applicable, except in respect of utilisation of securities premium account to create provision for impairment for expected credit losses (Refer Note 22).



DHANI LOANS AND SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 72

The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 (31 March 2022: ₹ Nil).

Note - 73

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender during the year and previous year.

Note - 74

There are no borrowing costs to be capitalised as at 31 March 2023 (31 March 2022: ₹ Nil).

Note - 75

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Note - 76

There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note - 77

Prior year's figures have been regrouped, wherever necessary, to conform to the current year's presentation.

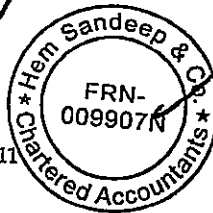
In terms of our report of even date attached.

For Hem Sandeep & Co
Chartered Accountants

ICAI Firm registration no.: 009907N

Ajay Sardana
Partner

Membership No.: 089011



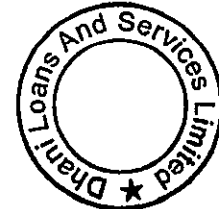
For and on behalf of the Board of Directors

Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178

Akshay Kumar Tiwary
Director
DIN: 00366348

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary



Place: New Delhi
Date: 26 May 2023

Place: Gurugram
Date: 26 May 2023

Hem Sandeep & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
To the Members of Dhani Loans and Services Limited
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Dhani Loans and Services Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together are referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, and, except for the effects of the matter described in the Basis for Qualified Opinion in the paragraph below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated loss, consolidated other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

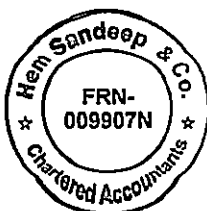
Basis for Qualified Opinion

As more fully explained in Note 27 to the accompanying Statement, the Holding Company has utilised/ applied an amount of Rs. 72,961.20 lakhs (net of deferred tax) from the outstanding balance in the securities premium account for creating a provision for impairment losses on financial instruments instead of debiting the same to the Consolidated Statement of Profit and Loss, which is not in strict accordance with the applicable Indian Accounting Standards and other applicable regulations. Consequently, the Group's the net loss and total comprehensive loss for the year ended March 31, 2023 are understated by the aforesaid amount. There is no resultant impact on the carrying value of the total equity, assets and liabilities of the Group.

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

Office: D 118, Saket, New Delhi – 110017

Phone: +91 11 4052 4636 Email: info@hemsandeep.com



Basis for Qualified Opinion (continued)

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-para (a) and (b) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

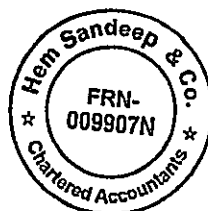
a) In respect of the subsidiary – Indiabulls Distribution Services Limited, as reported by the component auditor, we draw attention to Note 50 i) A (b)(1) of the accompanying Statement which describes that the Company has recorded provisions for impairment due to expected credit losses on certain financial assets as at March 31, 2023 on an estimated basis, in respect of losses that may arise dependent upon future developments including inter alia, the uncertainties due to the effects of unravelling of the Covid-19 pandemic on the Company's business. Our opinion is not modified in respect of this matter.

b) In respect of the subsidiary – Indiabulls Investment Advisors Limited, as reported by the component auditor, we draw attention to Note 50 i) A (b)(2) of the accompanying Statement which describes that the Company has recorded provisions for impairment due to expected credit losses on certain financial assets as at March 31, 2023 on an estimated basis, in respect of losses that may arise dependent upon future developments including inter alia, the uncertainties due to the effects of unravelling of the Covid-19 pandemic on the Company's business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

(this space has intentionally been left blank)



A. Key audit matters of the Holding Company

Key Audit Matters	Auditor's Response
<p>a) Impairment of Loans (expected credit loss - ECL) (Refer notes 6 and 50 to the Standalone Financial Statements of the Holding Company)</p> <p>In accordance with the requirements of Ind AS 109, the Holding Company is required to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves an estimation of the probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Holding Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <p>(i) Classification and staging of loan portfolio, and estimation of behavioural life.</p> <p>(ii) Estimation of losses in respect of those classes of loans which had no or minimal historical defaults.</p> <p>(iii) Management overlay for macro-economic factors and estimation of their impact on the credit quality of the loans. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Holding Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.</p> <p>(iv) The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p> <p>The Holding Company has developed a financial model that derives key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of such model is then applied to the calculation for the provision for expected credit loss calculation with other information including the exposure at default (EAD).</p> <p>Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Read and assessed the Holding Company's accounting policies for the process of estimation of impairment of financial assets and whether such policy was in accordance with the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to the applicable Reserve Bank of India guidelines/directions.</p> <p>Evaluated the appropriateness of the Holding Company's assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability of default (PD) and loss-given default (LGD) rates.</p> <p>Tested the operating effectiveness of the controls for application of the staging criteria. Assessed the additional considerations applied by the Management for staging of loans.</p> <p>Performed tests (on sample basis) to verify the completeness and accuracy of the input data used to determine the PD and LGD rates and agreed such data with the underlying books of accounts and records.</p> <p>Performed inquiries with the Holding Company's management to assess the impact of macro-economic factors on the current economic environment and business activities of the Holding Company.</p> <p>Tested the arithmetical accuracy of calculation of the provision for ECL performed by the Holding Company.</p> <p>Tested assumptions used by the management in determining the overlay for macro-economic factors .</p> <p>Tested key controls and details over restructuring process in respect of eligibility, approval and modification of terms.</p> <p>Assessed the appropriateness and sufficiency of disclosures in the Standalone Financial Statements in respect of provision for ECL.</p>



Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Management Discussion & Analysis report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or, otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

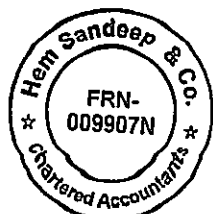
The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors and such other entities included in the Consolidated Financial Statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the 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.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

Other Matters

We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs.1,05,014.86 lakhs as at March 31, 2023 and total revenues of Rs.12,932.82 lakhs, total net loss after tax of Rs. 1,474.26 lakhs and total comprehensive loss of Rs. 1,477.93 lakhs for the year ended on that date and net cash outflows of Rs. 5,235.91 lakhs for the year ended March 31, 2023, as considered in the Consolidated Financial Statements. These financial statements have been audited by their respective independent auditors, whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph above. Our opinion on the Consolidated Financial Statements in respect of matters stated above is not modified with respect to our reliance on the work done and the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

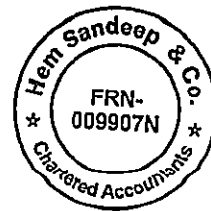
Our opinion is not modified in respect of the above matter.

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, based on the comments in the auditors' reports of the Holding Company and subsidiaries incorporated in India, we report hereunder the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

(xxi) Matters to be reported under clause (xxi) in respect of the subsidiary companies incorporated in India and included in the Group, as reported by their respective auditors in the Companies (Auditor's Report) Order (CARO) reports of such subsidiary companies included in the Consolidated Financial Statements, are given below:

(this space has intentionally been left blank)

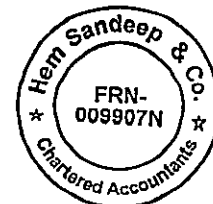


Report on Other Legal and Regulatory Requirements (continued)

S.no	Name	CIN	Holding Company/ Subsidiary/ Associate/ Joint Venture	Clause number of the CARO report of the subsidiary company
1.	Dhani Loans and Services Limited	U74899DL1994PLC062407	Holding Company	iii(c), iii(d), xi(a)
2.	Indiabulls Distribution Services Limited	U74999DL2009PLC191143	Subsidiary	xvi(a), xvi(b)
3.	Indiabulls Investment Advisors Limited	U74992DL2008PLC182331	Subsidiary	xvii
4.	Transerv Limited	U93090MH2010PLC211328	Subsidiary	xx(b)

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to financial statements of companies incorporated in India and included in the Group, and the operating effectiveness of such controls, refer to our separate report in Annexure A.



Report on Other Legal and Regulatory Requirements (continued)

g) In our opinion and according to the information and explanations given to us, the Holding Company has taken requisite approvals in the extra-ordinary general meeting of its members on May 24, 2023, in respect of remuneration paid to a Whole Time Director during the year ended March 31, 2023 which was in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

In respect of the component, Transerv Limited, as reported by the component's auditors, the Company has taken requisite approvals in the extra ordinary general meeting of its members on May 24, 2023, in respect of remuneration paid to a Whole Time Director and Chief Executive Office of the Company during the year ended March 31, 2023 which was in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

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 Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries incorporated in India and whose financial statements have been audited under the Act, as noted in the 'Other Matters' paragraph:

(i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 42 to the Consolidated Financial Statements.

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

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

(iv) (a) On the basis of the representations received from the directors of the Holding Company as on March 31, 2023 and the reports of the statutory auditors of its subsidiaries incorporated in India, whose financial statements have been audited under the Act, to the best of their knowledge and belief, 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 Holding Company or any such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.


(this space has intentionally been left blank)



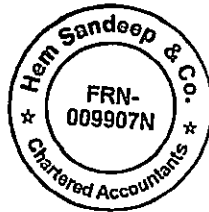
Report on Other Legal and Regulatory Requirements (continued)

- (b) On the basis of the representations received from the directors of the Holding Company as on March 31, 2023 and the reports of the statutory auditors of its subsidiaries incorporated in India, whose financial statements have been audited under the Act, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, 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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- (v) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 as amended is applicable for the Holding Company only w.e.f 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended, is not applicable.
- (vi) The Company has not declared/paid any dividend during the year and subsequent to the year end.

For Hem Sandeep & Co.
Chartered Accountants
Firm's Registration No.: 009907N


Ajay Sarana
Partner

Membership No.: 089011
UDIN: 23089011BGYEYJ7579
New Delhi, May 26, 2023



Annexure A

Independent Auditor's report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Dhani Loans and Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Group's business, including adherence to the respective group's policies, the safeguarding of the Group's 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to the Consolidated 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") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the 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 Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the Consolidated Financial Statements of the Group, as aforesaid.



Meaning of Internal Financial Controls with reference to Consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Consolidated 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 the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the consolidated 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 Group, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to the Consolidated Financial Statements and such internal financial controls with reference to the Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal financial control with reference to the consolidated financial statements 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to four subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the statutory auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Hem Sandeep & Co.
Chartered Accountants
Firm's Registration No.: 009907N


Ajay Sardana
Partner

Membership No.: 089011
UDIN: 23089011BGYEYJ7579
New Delhi, May 26, 2023



Dhani Loans and Services Limited Group
Consolidated Balance Sheet as at 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
(a) Cash and cash equivalents	6	11,726.47	47,896.93
(b) Bank balances other than cash and cash equivalents	7	5,898.49	26,602.68
(c) Receivables			
Trade receivables	8	3,669.54	5,752.01
Other receivables	9	748.13	1,383.97
(d) Loans	10	1,77,854.34	3,73,352.41
(e) Investments	11	33,142.63	53,450.15
(f) Other financial assets	12	29,206.14	31,740.31
Total financial assets		2,62,245.74	5,40,178.46
Non-financial assets			
(a) Inventories		120.23	120.23
(b) Current tax assets (net)	13	18,057.77	18,015.78
(c) Deferred tax assets (net)	14	51,752.74	19,738.62
(d) Property, plant and equipment	15A	5,707.68	8,499.41
(e) Right-of-use assets	15B	3,973.95	17,032.76
(f) Intangible assets under development	15C	317.19	462.18
(g) Goodwill	15D	6,482.97	6,482.97
(h) Other intangible assets	15E	4,120.70	6,510.31
(i) Other non-financial assets	16	23,863.83	35,180.85
Total non-financial assets		1,14,397.06	1,12,063.11
TOTAL ASSETS		3,76,642.80	6,52,241.57
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Payables			
Trade payables	17	-	0.12
(i) total outstanding dues of micro enterprises and small enterprises		-	0.12
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,729.61	1,791.00
Other payables	18	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,700.71	8,941.65
(b) Debt securities	19	32,097.24	54,506.34
(c) Borrowings (other than debt securities)	20	26,609.91	1,45,643.92
(d) Lease liabilities	21	4,564.58	18,389.53
(e) Other financial liabilities	22	8,986.97	29,770.35
Total financial liabilities		78,689.02	2,59,042.91
Non-financial Liabilities			
(a) Current tax liabilities (net)	23	172.36	-
(b) Provisions	24	1,910.27	1,740.24
(c) Other non-financial liabilities	25	1,243.09	2,846.87
Total non-financial liabilities		3,325.72	4,587.11
EQUITY			
(a) Equity share capital	26	6,118.80	6,118.80
(b) Other equity	27	2,82,133.58	3,76,128.54
Equity attributable to the owners of the Holding Company		2,88,252.38	3,82,247.34
(c) Non controlling interest	27	6,375.68	6,364.21
Total equity		2,94,628.06	3,88,611.55
TOTAL LIABILITIES AND EQUITY		3,76,642.80	6,52,241.57

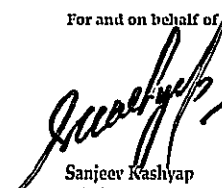
The accompanying notes form an integral part of these consolidated financial statements.

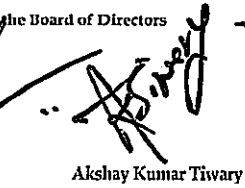
This is the Consolidated Balance Sheet referred to in our report of even date.

For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. 009907N

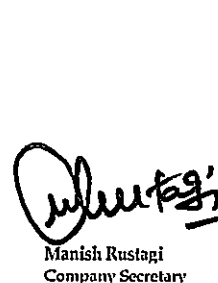

Ajay Sardana
Partner
Membership No.: 089011

For and on behalf of the Board of Directors


Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178

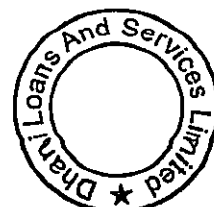

Akshay Kumar Tiwary
Director
DIN: 00366348


Rajesh Lochan Agrawal
Chief Financial Officer


Manish Rustagi
Company Secretary

Place: New Delhi
Date: 26 May 2023

Place: Gurugram
Date: 26 May 2023



Dhani Loans and Services Limited Group
Consolidated Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
I. Revenue from operations			
Interest income	28	19,755.70	45,949.76
Fees and commission income	29	23,747.76	53,791.96
Net gain on fair value changes	30	1,733.48	1,754.90
Net gain on derecognition of financial assets	31	22.16	143.79
Total revenue from operations		45,259.10	1,01,640.41
II. Other income	32	7,771.19	3,110.03
III. Total income (I + II)		53,030.29	1,04,750.44
IV. Expenses			
Finance costs	33	12,736.20	24,545.32
Fees and commission expense	34	4,417.57	10,356.85
Impairment on financial assets	35	13,937.53	35,469.93
Employee benefits expenses	36	23,244.68	29,992.35
Depreciation and amortisation	37	6,813.17	7,142.35
Other expenses	38	16,193.60	27,421.26
Total expenses		77,342.75	1,34,928.06
V. Profit/(Loss) before share of profit/(loss) of an associate and tax (III - IV)		(24,312.46)	(30,177.62)
VI. Share of loss in an associate		-	-
VII. Profit/(Loss) before tax (V + VI)		(24,312.46)	(30,177.62)
VIII. Tax expense	39		
Current tax		424.19	8.19
Income-tax in respect of earlier years		-	0.21
Deferred tax		(7,691.67)	(6,621.79)
Total tax expense		(7,267.48)	(6,613.39)
IX. Profit/(Loss) for the year (VII - VIII)		(17,044.98)	(23,564.23)
X. Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain/(loss) on defined benefit plans		967.27	136.64
(ii) Income-tax relating to items that will not be reclassified to profit and loss		(243.44)	(34.39)
(iii) Items that will be reclassified to profit or loss			
(a) Changes in fair valuation of financial assets		(28.29)	(673.71)
(iv) Income-tax relating to items that will be reclassified to profit or loss		7.12	169.56
Total other comprehensive (loss)/income (net of taxes)		702.66	(401.90)
XI. Total comprehensive loss for the year (IX + X)		(16,342.32)	(23,966.13)
Net loss after tax attributable to -			
Owners of the Holding Company		(17,056.45)	(23,416.47)
Non controlling interests		11.47	(147.76)
		(17,044.98)	(23,564.23)
Other comprehensive income/(loss) attributable to -			
Owners of the Holding Company		702.66	(401.90)
Non controlling interests		-	-
		702.66	(401.90)
Total comprehensive loss attributable to -			
Owners of the Holding Company		(16,353.79)	(23,818.37)
Non controlling interests		11.47	(147.76)
		(16,342.32)	(23,966.13)
XII. Earnings per equity share:	40		
Basic (Rs.)		(27.88)	(38.27)
Diluted (Rs.)		(27.88)	(38.27)
Face value per equity share (Rs.)		10.00	10.00

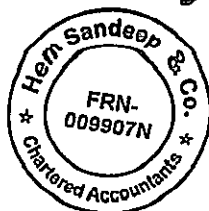
The accompanying notes form an integral part of these consolidated financial statements.

This is Consolidated Statement of Profit and Loss referred to in our report of even date.

For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. 009907N

Ajay Sardana
Partner
Membership No.: 089011

Place: New Delhi
Date: 26 May 2023



For and on behalf of the Board of Directors.

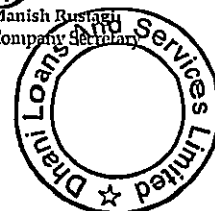
Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178

Place: Gurugram
Date: 26 May 2023

Akshay Kumar Tiwary
Director
DIN: 00366348

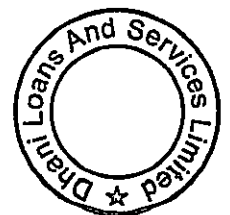
Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary



Dhani Loans and Services Limited Group
Consolidated Statement of Cash Flows for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities :		
Net profit/(loss) before tax	(24,312.46)	(30,177.62)
Adjustments for:		
Depreciation and amortisation	6,813.17	7,142.35
Excess provisions written back	(6,236.35)	(706.20)
Net gain on fair value changes	(1,733.48)	(1,754.90)
Loss on derecognition of property, plant and equipment (net)	707.32	103.25
Gain on derecognition of financial assets	(1,443.53)	(852.88)
Provision for employee benefits	983.84	176.66
Interest Income	(19,581.79)	(45,949.76)
Interest Expense	11,531.85	22,738.66
Interest expenses on leasing arrangement	1,000.74	1,627.46
Impairment on financial instruments	13,937.53	35,469.93
Effective interest rate adjustment for financial instruments (including INDAS of borrowings)	27.65	299.73
Share based payments to employees	(4,679.97)	3,271.84
Operating profit/(loss) before working capital changes	(22,985.48)	(8,611.48)
Adjustments for:		
Trade Receivables	(4,117.53)	(23,968.50)
Other receivables	635.84	4,905.37
Loans	90,237.90	24,143.49
Inventory	-	(120.23)
Other financial assets	23,239.80	17,314.08
Other non financial assets	7,450.72	(2,637.64)
Trade payables	(61.51)	(3,473.41)
Other payables	1,995.41	624.07
Other financial liabilities	(20,783.38)	(9,779.07)
Provisions	153.46	(593.36)
Other non financial liabilities	(1,603.78)	1,010.66
Cash generated from/(used in) operating activities	74,161.45	(1,186.02)
Interest Received	19,581.79	45,949.76
Interest Paid	(11,531.85)	(22,738.66)
Income taxes paid (including tax deducted at source)	(293.82)	(2,323.79)
Net cash generated from/ (used in) operating activities	81,917.57	19,701.29
Cash flows from investing activities :		
Purchase of property, plant and equipments, intangible assets under development and intangible assets (including capital advances)	(1,223.93)	(5,350.57)
Proceeds from Disposal of property, plant and equipments	4,934.75	5.56
Proceeds from sale of investments (net)	22,041.00	86,409.40
Net cash generated from/ (used in) investing activities	25,751.82	81,064.39
Cash flows from financing activities :		
Proceeds from issue of preference shares (including premium)	-	61,262.56
Redemption of preference shares (including premium)	-	(61,262.56)
Proceeds from debt securities	9,576.48	19,057.22
Repayment of debt securities	(32,019.33)	(41,448.50)
Proceeds from borrowings (other than debt securities)	12,545.37	97,165.50
Repayment of borrowings (other than debt securities)	(1,31,579.38)	(2,25,289.58)
Payment of lease liabilities	(2,362.99)	(3,761.80)
Net cash generated from/ (used in) financing activities	(1,43,839.85)	(1,54,277.16)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(36,170.46)	(53,511.48)
Cash and cash equivalents at the beginning of the year	47,896.93	1,01,408.41
Cash and cash equivalents at the end of the year (D+E)	11,726.47	47,896.93



Dhani Loans and Services Limited Group
Consolidated Statement of Cash Flows for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakhs unless stated otherwise)

Notes:

1. The above consolidated statement of cash flows has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. Cash and cash equivalents as at the end of the year include:

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (as per note 6) *	11,726.47	47,896.93
	<u>11,726.47</u>	<u>47,896.93</u>


*Refer note 7(i) for restriction of cash and cash equivalents

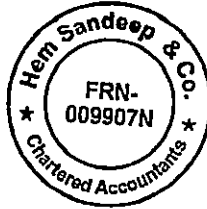
3 For disclosures relating to changes in liabilities arising from financing activities, refer note- 43.

The accompanying notes form an integral part of these consolidated financial statements.

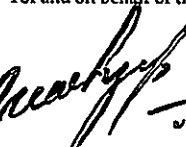
This is Consolidated Statement of Cash Flows referred to in our report of even date.

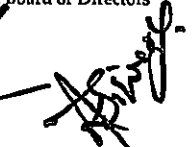
For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. 009907N


Ajay Sardana
Partner
Membership No.: 089011




For and on behalf of the Board of Directors


Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178

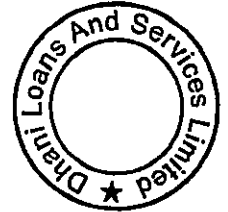

Akshay Kumar Tiwary
Director
DIN: 00366348


Rajeev Lohan Agrawal
Chief Financial Officer


Manish Rustagi
Company Secretary

Place: New Delhi
Date: 26 May 2023

Place: Gurugram
Date: 26 May 2023



Dhani Loans and Services Limited Group
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

A. Equity share capital (refer note-26)

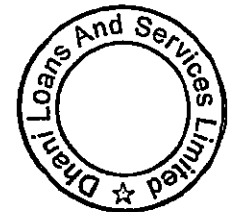
Particulars	Balance as at 01 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	6,118.80	-	6,118.80	-	6,118.80

Particulars	Balance as at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	6,118.80	-	6,118.80	-	6,118.80

B. Other equity (refer note - 27)

(i) Current reporting period:

Particulars	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Share options outstanding account	Retained earnings/ (Deficit) in Statement of Profit and Loss	Change in fair value of loan assets through other comprehensive income	Other Component of Equity	Deemed equity contribution by Holding Company	Capital reserve	General reserve	Total attributable to equity shareholders of the Holding Company	Total non-controlling interest	Total
Balance as at 1 April 2022	3,70,264.78	900.82	13,270.01	6,200.29	(11,058.51)	21.17	643.61	1,461.22	(6,276.75)	701.90	3,76,128.54	6,364.21	3,82,492.75
Charges in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2022	3,70,264.78	900.82	13,270.01	6,200.29	(11,058.51)	21.17	643.61	1,461.22	(6,276.75)	701.90	3,76,128.54	6,364.21	3,82,492.75
Charges in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	(17,056.45)	-	-	-	-	-	(17,056.45)	11.47	(17,044.98)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	723.83	(21.17)	-	-	-	-	702.66	-	702.66
Provision for impairment due to expected credit loss (Refer Note 27 (ii))	(97,500.00)	-	-	-	-	-	-	-	-	-	(97,500.00)	-	(97,500.00)
Deferred tax on above item (Refer Note 27 (iii))	24,538.80	-	-	-	-	-	-	-	-	-	24,538.80	-	24,538.80
Share based payment expense	-	-	-	(4,679.97)	-	-	-	-	-	-	(4,679.97)	-	(4,679.97)
Transfer to retained earnings	-	-	-	(978.38)	978.38	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	2,97,303.58	900.82	13,270.01	541.94	(26,412.75)	0.00	643.61	1,461.22	(6,276.75)	701.90	2,82,133.58	6,375.68	2,88,509.26



Dhani Loans and Services Limited Group
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

B. Other equity (refer note - 27) (continued):
 (2) Previous reporting period:

Particulars	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Share options outstanding account	Retained earnings/ (Deficit) in Statement of Profit and Loss	Change in fair value of loan assets through other comprehensive income	Other Component of Equity	Deemed equity contribution by Holding Company	Capital reserve	General reserve	Total attributable to equity shareholders of the Holding Company	Total non-controlling interest	Total
Balance as at 1 April 2021	3,70,264.78	100.00	13,270.01	2,930.00	13,054.94	525.32	643.61	1,461.22	(6,276.75)	701.90	3,96,675.03	6511.97	4,03,187.00
Charges in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	3,70,264.78	100.00	13,270.01	2,930.00	13,054.94	525.32	643.61	1,461.22	(6,276.75)	701.90	3,96,675.03	6511.97	4,03,187.00
Loss for the year	-	-	-	-	(23,416.47)	-	-	-	-	-	(23,416.47)	(147.76)	(23,564.23)
Other comprehensive income (net of tax)	-	-	-	-	102.25	(504.15)	-	-	-	-	(401.90)	-	(401.90)
Transfer from capital redemption reserve during the year	-	800.82	-	-	(800.82)	-	-	-	-	-	-	-	-
Issue of Redeemable convertible preference shares	60,461.74	-	-	-	-	-	-	-	-	-	60,461.74	-	60,461.74
Redemption of Redeemable convertible preference shares	(60,461.74)	-	-	-	-	-	-	-	-	-	(60,461.74)	-	(60,461.74)
Share based payment expense	-	-	-	3,271.58	-	-	-	-	-	-	3,271.58	-	3,271.58
Transfer to retained earnings	-	-	-	-	1.59	-	-	-	-	-	1.59	-	1.59
Acquisition adjustment of subsidiaries	-	-	-	(1.29)	-	-	-	-	-	-	(1.29)	-	(1.29)
Balance as at 31 March 2022	3,70,264.78	900.82	13,270.01	6,200.29	(11,058.51)	21.17	643.61	1,461.22	(6,276.75)	701.90	3,76,128.54	6364.21	3,82,492.75

The accompanying notes form an integral part of these consolidated financial statements.
 This is Consolidated Statement of Changes in Equity referred to in our report of even date.

For Hem Sandeep & Co.
 Chartered Accountants
 Firm's registration no.: 009907N

Ajay Sardana
 Partner
 Membership No.: 089011

Place: New Delhi
 Date: 26 May 2023



For and on behalf of the Board of Directors

Sanjeev Kashyap

Sanjeev Kashyap
 Whole Time Director &
 Chief Executive Officer
 DIN: 03405178
 Place: Gurugram
 Date: 26 May 2023

Akshay Kumar Tiwary

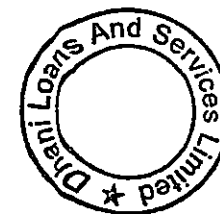
Akshay Kumar Tiwary
 Director
 DIN: 00366348

Rajeev Duttan Agrawal

Rajeev Duttan Agrawal
 Chief Financial Officer

Manish Rustagi

Manish Rustagi
 Company Secretary



Dhani Loans and Services Limited Group

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 1 Group overview

Dhani Loans and Services Limited ('DLSL', 'the Holding Company', 'the Company') along with its subsidiaries, collectively referred to as 'the Group' in following notes. The Group's primary businesses are "Financing and Related activities" and "Broking and Related activities". Financing and Related activities include business of financing and investing related activities. Broking and related activities include business of cross selling of real estate and providing other ancillary services relating to broking activities. The Holding Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934. The Holding is domiciled in India and its registered office is situated at 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi -110008.

Note - 2 General information and statement of compliance with Ind AS

These consolidated financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in this consolidated financial statements.

These consolidated financial statements for the year ended 31 March 2023 are the consolidated financial statements which has been prepared in accordance with Ind AS.

The consolidated financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 26 May 2023.

Note - 3 Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

Note - 4 Basis of consolidation

Subsidiaries

The consolidated financial statements comprise financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including other comprehensive income ('OCI')] of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance [including other comprehensive income ('OCI')] is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

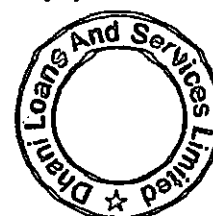
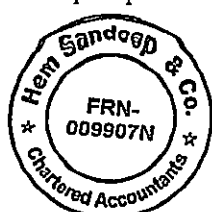
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interest in associates are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.



Note - 4 Basis of consolidation (continued)

Business combination

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities.

Note - 5 Summary of significant accounting policies

I Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment – The Group 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 Group 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 Group'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.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ("ECL") – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

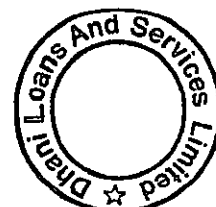
Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



Note - 5 Summary of significant accounting policies (continued)

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

a. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Server and Networks	6 years
Leasehold improvements	Over the period of lease

Property, plant and equipment individually costing up to INR 5,000 are fully depreciated in the year of acquisition. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

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

b. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Asset class	Useful life
Software	3 - 10 years

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

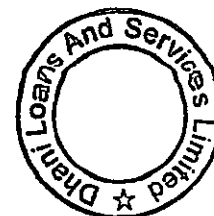
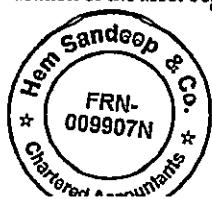
The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software . However, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

c. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell the such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.



Note - 5 Summary of significant accounting policies (continued)

d. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue from the following sources:

Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

Income from assignment transactions

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

Interest on investments and deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

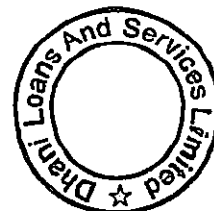
Commission income

Income from commissions / brokerage is recognised on accrual basis, generally as set out under the terms of contracts / agreements with respective customer.

Revenue from Digital Wallet Service & Merchant Fee

Revenue from digital services is recognized for providing payment gateway aggregation services and as a platform for merchant transactions executed through the wallets provided to customers through payment gateways, on a periodic basis as and when transactions are settled. Wallet maintenance fees in relation to facilitating wallet transactions and maintenance of related technical platforms is recognized on an accrual basis. Merchant fees from wallet transaction are recognized on the basis of successful pay-out of wallet usage to the respective merchants. The settlements are done daily for such transactions with the merchants. Revenue from banking correspondence services are recognised on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with bank. The Group provides card enabled prepaid payment program management and remittance services. In such contracts, revenue is recognised as and when transactions are done through cards.

(This space has been intentionally left blank)



Note - 5 Summary of significant accounting policies (continued)

Dividend income

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Net gain on fair value changes

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

e. Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the consolidated statement of profit and loss as incurred basis the effective interest rate method.

f. Taxation

Tax expense recognized in consolidated statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

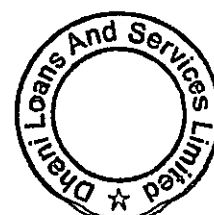
Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ("MAT") credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity).

(This space has been intentionally left blank)



Note - 5 Summary of significant accounting policies (continued)

g. Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Group also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to consolidated statement of profit and loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Group has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the consolidated statement of profit and loss.

Defined benefit plans

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

h. Share based payments

Share based compensation benefits are provided to employees via Dhani Services Limited ('Ultimate Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Holding Company will be allotted Ultimate Holding Company's equity shares.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

j. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

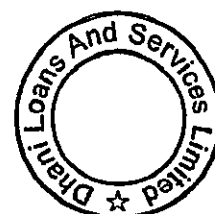
Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- 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 neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.



(This space has been intentionally left blank)



Note - 5 Summary of significant accounting policies (continued)

k. 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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 and Loss.

ii. Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets, and
- (b) 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.

FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and impairment gains or losses are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss.

iii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

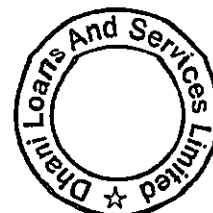
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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 Group has access to at the measurement date. The Group 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: Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL. Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.



Note - 5 Summary of significant accounting policies (continued)

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Convertible debentures

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Group also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the consolidated statement of profit and loss along with change in fair value of underlying asset.

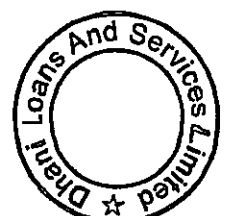
I. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.



Note - 5 Summary of significant accounting policies (continued)

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in consolidated statement of profit and loss.

m. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

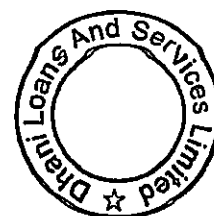
n. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period 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.

o. Segment reporting

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.



Note - 5 Summary of significant accounting policies (continued)

p. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the consolidated statement of profit and loss in the year in which they arise.

q. Classification of leases -

The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Leases

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in Note 44). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

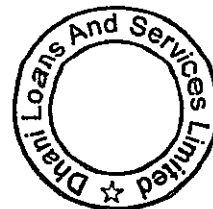
The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Groups incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

r. Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is 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.



Note - 5 Summary of significant accounting policies (continued)

s. New accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

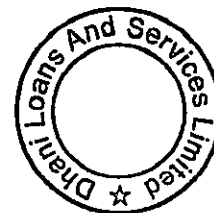
Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 6

Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash on hand	0.17	2.82
Cheques on hand	310.90	2,341.38
Balances with banks		
- Current accounts	11,067.32	34,760.06
- in fixed deposits with original maturity of less than 3 months (refer note 7(i))	348.08	10,792.67
	<u>11,726.47</u>	<u>47,896.93</u>

Note - 7

Bank balances other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Fixed deposits with original maturity of more than 3 months (refer note 7(i))	3,501.34	16,316.51
In earmarked balances :		
- Earmarked accounts	2,397.15	10,286.17
	<u>5,898.49</u>	<u>26,602.68</u>

7(i) Balances with banks in fixed deposit and other

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits pledged with banks against Overdraft facilities	3,456.56	7,666.76
Deposits pledged for securitisation transactions	-	15,895.96
Deposits pledged with banks against bank guarantees	25.16	25.17
Deposits pledged with bank against corporate credit card	65.44	61.86
	<u>3,547.16</u>	<u>23,649.75</u>

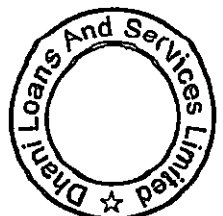
Note - 8

Trade receivables

	As at 31 March 2023	As at 31 March 2022
Receivables, considered good (unsecured)	3,669.54	5,752.01
Receivables which have significant increase in credit risk	4,363.20	3,802.26
	<u>8,032.74</u>	<u>9,554.27</u>
Less: impairment loss allowance	(4,363.20)	(3,802.26)
	<u>3,669.54</u>	<u>5,752.01</u>

Trade Receivables aging schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	122.31	203.15	442.54	276.81	2,624.73	3,669.54
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	15.07	67.52	196.36	224.35	2,003.07	2,506.37
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	7.46	69.35	204.84	105.35	1,469.82	1,856.83



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 8

Trade receivables (continued)

Trade Receivables aging schedule as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered	265.41	519.75	463.06	767.33	3,736.46	5,752.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	40.01	93.75	118.78	265.86	1,057.98	1,576.38
(iii) Undisputed Trade Receivables – credit	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	56.16	134.24	165.91	372.68	1,496.89	2,225.88
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note - 9

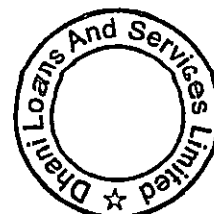
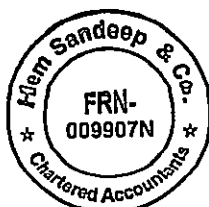
Other receivables

	As at 31 March 2023	As at 31 March 2022
Receivables, considered good (unsecured)	748.13	1,383.97
Receivables which have significant increase in credit risk	2,837.88	2,298.78
	<u>3,586.01</u>	<u>3,682.75</u>
Less: impairment loss allowance	<u>(2,837.88)</u>	<u>(2,298.78)</u>
	<u>748.13</u>	<u>1,383.97</u>

Note - 10

Loans

	As at 31 March 2023		Total
	At amortised cost	At fair value through other comprehensive income	
(a) Term Loans			
- Secured	26,352.94	-	26,352.94
- Unsecured	1,15,561.68	-	1,15,561.68
(b) Inter-Corporate deposits - Unsecured	41,131.35	-	41,131.35
Total gross	<u>1,83,045.97</u>	<u>-</u>	<u>1,83,045.97</u>
Less: impairment loss allowance	<u>(5,191.63)</u>	<u>-</u>	<u>(5,191.63)</u>
Total net	<u>1,77,854.34</u>	<u>-</u>	<u>1,77,854.34</u>
(i) Secured by tangible assets	26,352.94	-	26,352.94
(ii) Secured by other assets	-	-	-
(iii) Unsecured	1,56,693.03	-	1,56,693.03
Total gross	<u>1,83,045.97</u>	<u>-</u>	<u>1,83,045.97</u>
Less: impairment loss allowance	<u>(5,191.63)</u>	<u>-</u>	<u>(5,191.63)</u>
Total net	<u>1,77,854.34</u>	<u>-</u>	<u>1,77,854.34</u>
Loans in India			
(i) Public sector	-	-	-
(ii) Others	1,83,045.97	-	1,83,045.97
Total gross	<u>1,83,045.97</u>	<u>-</u>	<u>1,83,045.97</u>
Less: impairment loss allowance	<u>(5,191.63)</u>	<u>-</u>	<u>(5,191.63)</u>
Total net	<u>1,77,854.34</u>	<u>-</u>	<u>1,77,854.34</u>



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 10
Loans (continued)

	As at 31 March 2022		
	At amortised cost	At fair value through other comprehensive income	Total
(a) Term Loans			
- Secured	43,078.60	1,053.85	44,132.45
- Unsecured	3,25,785.53	923.12	3,26,708.65
(b) Inter-Corporate deposits (unsecured)	38,898.18	-	38,898.18
Total gross	4,07,762.31	1,976.97	4,09,739.28
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
Total net	3,71,390.87	1,961.54	3,73,352.41
(i) Secured by tangible assets	43,078.60	1,053.85	44,132.45
(ii) Secured by other assets	-	-	-
(iii) Unsecured	3,64,683.71	923.12	3,65,606.83
Total gross	4,07,762.31	1,976.97	4,09,739.28
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
Total net	3,71,390.87	1,961.54	3,73,352.41
Loans in India			
(i) Public sector	-	-	-
(ii) Others	4,07,762.31	1,976.97	4,09,739.28
Total gross	4,07,762.31	1,976.97	4,09,739.28
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
Total net	3,71,390.87	1,961.54	3,73,352.41

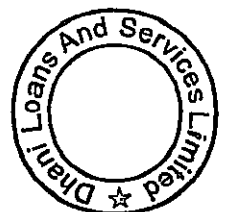
Disclosure in respect of loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any term or period of repayment.

Type of Borrower	As at 31 March 2023		As at 31 March 2022	
	Amount	% of the total Loans and Advances	Amount	% of the total Loans and Advances
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	17,870.25	9.76%	38,898.20	9.49%

The Holding Company is mainly engaged in the business of financing by way of loans in the nature of consumer finance and loans against property (LAP), mortgage backed SME loans, and certain other purposes in India. The Holding Company has assessed each of its loan portfolios and performed a comprehensive analysis of the staging of each of its borrower segments. Further, the Holding Company has also analysed its outstanding exposures. Based on the above analysis, the Company has recorded a provision for impairment due to expected credit loss (ECL), of ₹ 5,191.63 lakhs in respect of its loans and advances as at 31 March 2023.

In the ordinary course of its business, the Holding Company extends secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Holding Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, share pledge, guarantees of parent/holding companies, personal guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts etc.



Dhani Loans and Services Limited Group

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

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 10

Loans (Continued)

In its normal course of business, the Holding Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through on-rolls collection executives, along with 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 Holding Company did not hold any financial instrument for which no loss allowance is recognised because of collateral at 31 March 2023. There was no change in the Holding Company's collateral policy or collateral quality during the year.

Note - 11

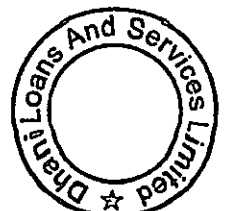
Investments

As at
31 March 2023

Investments	At Amortised cost	At fair value through Profit and Loss	At deemed cost	Total
Mutual funds	-	532.25	-	532.25
Security receipts	-	32,610.38	-	32,610.38
Total (A)	-	33,142.63	-	33,142.63
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	33,142.63	-	33,142.63
Total (B)	-	33,142.63	-	33,142.63
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	-	33,142.63	-	33,142.63

As at
31 March 2022

Investments	At Amortised cost	At fair value through Profit and Loss	At deemed cost	Total
Mutual funds	-	35,950.15	-	35,950.15
Security receipts	-	17,500.00	-	17,500.00
Total (A)	-	53,450.15	-	53,450.15
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	53,450.15	-	53,450.15
Total (B)	-	53,450.15	-	53,450.15
Less: Allowance for Impairment loss (C)	-	-	-	-
Total (D) = (A)-(C)	-	53,450.15	-	53,450.15



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 12

Other financial assets

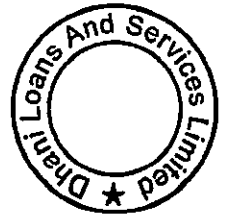
	As at 31 March 2023	As at 31 March 2022
(a) Receivable on assigned loans	111.99	1,524.79
Less: allowance for Impairment Loss	(1.79)	(24.44)
Net receivable on assigned loans	110.20	1,500.35
(b) Loans to employees	92.24	128.28
(c) Security deposits		
(i) Deposits for underwriting/ distribution of real estate projects	28,802.25	29,881.08
(ii) Deposits with others	1.15	11.79
Less: impairment loss allowance	(102.00)	-
	28,701.40	29,892.87
(d) Other recoverable	302.30	218.81
	29,206.14	31,740.31

Note - 13

Current tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (including tax deducted at source) [Net of provision for taxation]	18,057.77	18,015.78
	18,057.77	18,015.78

(This space has been intentionally left blank)



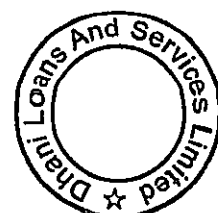
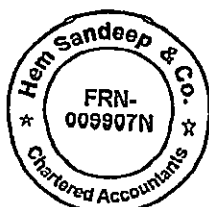
Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 14

Deferred tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax assets:		
Impairment loss allowance	2,651.63	10,345.58
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	320.79	284.13
Disallowances u/s. 43B of the Income-tax Act, 1961	153.02	134.61
Tax losses carried forward	45,260.16	6,574.57
Financial assets measured at amortised cost	2,080.65	1,146.95
Share based payments	121.33	1,267.95
Minimum alternate tax credit entitlement*	1,047.61	629.27
Effect of reversal of financing component from revenue	0.02	5.45
Right of use assets	17.11	16.81
Derecognition of financial instruments measured under amortised cost category	103.52	-
Others	269.19	582.03
Deferred tax assets (A):	52,025.03	20,987.35
Deferred tax liability:		
Difference between book balance and tax balance of property, plant and equipment	248.04	465.61
Financial assets measured at amortised cost	24.25	763.12
Deferred tax liability (B):	272.29	1,228.73
Deferred tax assets (net) (C = A-B)	51,752.74	19,758.62

Movement in deferred tax assets (net)	Balance as at 1 April 2022	Recognised in profit and loss	Recognised in other comprehensi ve income	Recognised in Equity	As at 31 March 2023
Deferred tax assets:					
Impairment loss allowance	10,345.57	(32,232.74)	-	24,538.80	2,651.63
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	284.13	36.66	-	-	320.79
Disallowances u/s. 43B of the Income-tax Act, 1961	134.62	261.87	(243.44)	-	153.02
Difference between tax balance and book balance of Property Plant and Equipment	58.27	(58.27)	-	-	-
Unused tax losses carried forward	6,574.57	38,685.59	-	-	45,260.16
Financial assets measured at amortised cost	1,146.95	933.70	-	-	2,080.65
Share based payments	1,267.95	(1,146.62)	-	-	121.33
Minimum alternate tax credit entitlement	629.27	418.34	-	-	1,047.61
Effect of reversal of financing component from revenue	5.45	(5.43)	-	-	0.02
Right of use assets	16.81	0.30	-	-	17.11
Derecognition of financial instruments measured under amortised cost category	-	103.52	-	-	103.52
Others	582.03	(312.84)	-	-	269.19
Total (A):	21,045.62	6,684.08	(243.44)	24,538.80	52,025.03
		(3,269.67)			
Deferred tax liabilities:					
Difference between book balance and tax balance of Property, Plant and Equipment	523.88	(275.84)	-	-	248.04
Financial assets measured at fair value through other comprehensive income	-	7.12	(7.12)	-	-
Financial assets measured at amortised cost	763.12	(738.87)	-	-	24.25
Total (B):	1,287.00	(1,007.59)	(7.12)	-	272.29
Deferred tax assets (net) (A-B)	19,758.62	7,691.67	(236.32)	24,538.80	51,752.74



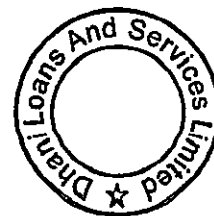
Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakh unless stated otherwise)

Note - 14

Deferred tax assets (net) (continued)

Movement in deferred tax assets (net)	Balance as at 1 April 2021	Recognised in profit and loss	Recognised in other comprehensi ve income	Recognised in Equity	As at 31 March 2022
Deferred tax assets:					
Impairment loss allowance	13,069.04	(2,723.47)	-	-	10,345.57
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	388.13	(104.00)	-	-	284.13
Disallowances u/s. 43B of the Income-tax Act, 1961	189.12	(20.15)	(34.39)	-	134.62
Difference between tax balance and book balance of fixed assets	73.65	(15.38)	-	-	58.27
Financial assets measured at amortised cost	1,194.27	(47.32)	-	-	1,146.95
Share based payments	738.88	529.07	-	-	1,267.95
Minimum alternate tax credit entitlement*	629.27	-	-	-	629.27
Effect of reversal of financing component from revenue	34.13	(28.68)	-	-	5.45
Right of use assets	19.03	(2.22)	-	-	16.81
Others	246.16	335.87	-	-	582.03
Total (A):	16,581.68	4,498.29	(34.39)	-	21,045.62
Deferred tax liabilities:					
Financial assets measured at fair value through profit and loss	176.68	(176.68)	-	-	-
Difference between book balance and tax balance of Property, Plant and Equipment	1,126.51	(602.63)	-	-	523.88
Financial assets measured at fair value through other comprehensive income	-	169.56	(169.56)	-	-
Derecognition of financial instruments measured under amortised cost category	2,231.70	(2,231.70)	-	-	-
Financial assets measured at amortised cost	41.55	721.57	-	-	763.12
Others	3.62	(3.62)	-	-	-
Total (B):	3,580.06	(2,123.50)	(169.56)	-	1,287.00
Deferred tax assets (net) (A-B)	13,001.62	6,621.79	135.17	-	19,758.62

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

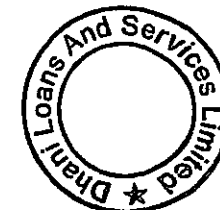
Note - 15A

Property, plant and equipment

	Furniture and fixtures	Vehicles#	Office equipment	Computers	Server and networks	Leasehold improvements	Freehold land	Total
<u>Gross block (at cost)</u>								
As at 01 April 2021	4,616.28	383.24	1,238.57	3,610.46	440.53	12.98	12.98	10,302.06
Additions during the year	530.44	-	626.84	2,691.32	508.42	-	-	4,357.02
Sales/adjustment during the year	136.41	-	27.20	86.36	-	-	-	249.97
As at 31 March 2022	5,010.31	383.24	1,838.21	6,215.42	948.95	12.98	12.98	14,409.11
Additions during the year	128.75	-	82.82	184.71	208.16	-	-	604.44
Sales/adjustment during the year	330.16	72.30	179.93	2,307.23	21.26	-	-	2,910.88
As at 31 March 2023	4,808.90	310.94	1,741.10	4,092.90	1,135.85	12.98	12.98	12,102.67
<u>Accumulated depreciation</u>								
As at 01 April 2021	656.39	232.80	523.79	2,607.34	81.80	-	-	4,102.12
Depreciation during the year	482.52	45.01	293.50	1,012.84	113.78	-	-	1,947.65
Sales/adjustment during the year	34.39	-	21.14	84.54	-	-	-	140.07
As at 31 March 2022	1,104.52	277.81	796.15	3,535.64	195.58	-	-	5,909.70
Depreciation during the year	512.10	35.32	360.11	925.26	176.46	-	-	2,009.25
Sales/adjustment during the year	115.32	54.82	86.99	1,259.26	7.57	-	-	1,523.96
As at 31 March 2023	1,501.30	258.31	1,069.27	3,201.64	364.47	-	-	6,394.99
Net Block as at 31 March 2022	3,905.79	105.43	1,042.06	2,679.78	753.37	12.98	12.98	8,499.44
Net Block as at 31 March 2023	3,307.60	52.63	671.83	891.26	771.38	12.98	12.98	5,707.68

Notes:

- There are no immovable properties whose title deeds are not held in the name of the Group.
- The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).
- There are no proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder,
- Refer note Note - 42B, for disclosure of contractual commitments to be executed on capital account for property, plant and equipment.
- # includes vehicles having carrying value of Nil (31 March 2022: Rs. 10.23 lakhs) which are hypothecated to banks against the respective loans.



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 15B

Right-of-use assets

	Building office premises
As at 1 April 2021	12,154.47
Additions during the year	13,066.21
Deletion	(5,087.55)
Amortisation during the year	(3,100.37)
As at 31 March 2022	17,032.76
Additions during the year	629.08
Deletion	(14,752.91)
Amortisation during the year	1,065.02
As at 31 March 2023	3,973.95

Note - 15C

Intangible assets under development

	Amount
As at 1 April 2021	380.46
Additions during the year	1,913.74
Capitalised during the year	(1,832.02)
As at 31 March 2022	462.18
Additions during the year	270.55
Capitalised during the year	(415.54)
As at 31 March 2023	317.19
As at 31 March 2022	462.18
As at 31 March 2023	317.19

Disclosure of aging schedule of Intangible assets under development :

As at 31 March 2023:

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software	209.28	107.91	-	-	317.19
Total	209.28	107.91	-	-	317.19

As at 31 March 2022:

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software	462.18	-	-	-	462.18
Total	462.18	-	-	-	462.18

There are no intangible assets under development which are overdue as per the original completion plan of the intangible assets under development at the balance sheet date.



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

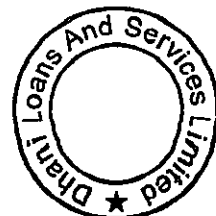
Note - 15D

Goodwill	Amount
As at 01 April 2021	6,482.97
Add: Adjustment on acquisition	-
Less: Adjustment on disposal of subsidiary	-
As at 31 March 2022	6,482.97
Add: Adjustment on acquisition	-
Less: Adjustment on disposal of subsidiary	-
As at 31 March 2023	6,482.97

Note - 15E

Other intangible assets	Software
Gross block (at cost)	
As at 01 April 2021	17,382.64
Additions during the year	912.34
Sales/adjustment during the year	-
As at 31 March 2022	18,294.98
Additions during the year	339.14
Sales/adjustment during the year	-
As at 31 March 2023	18,634.12
Accumulated amortisation	
As at 01 April 2021	9,690.35
Amortisation during the year	2,094.32
Impairment during the year	-
Sales/adjustment during the year	-
As at 31 March 2022	11,784.67
Amortisation during the year	2,728.75
Impairment during the year	-
Sales/adjustment during the year	-
As at 31 March 2023	14,513.42
Net Block as at 31 March 2022	6,510.31
Net Block as at 31 March 2023	4,120.70

(This space has been intentionally left blank)



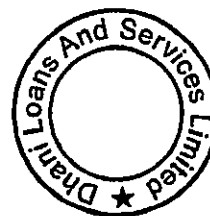
Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 16

Other non-financial assets

	As at 31 March 2023	As at 31 March 2022
(a) Capital advances	37.47	3,867.28
(b) Prepaid expenses	964.33	2,534.46
(c) Balance with government authorities	2,981.48	3,944.50
(d) Advances to suppliers	412.06	1,773.22
(e) Unamortised Customer acquisition costs and Cost of Cards	18,599.22	22,348.30
(f) Others (net)	869.27	713.09
	<u>23,863.83</u>	<u>35,180.85</u>

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in Lakh unless stated otherwise)

Note - 17
Trade payables

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding due to micro enterprises and small enterprises (i)	-	0.12
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	1,729.61	1,791.00
	<u>1,729.61</u>	<u>1,791.12</u>

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
Details of trade payable dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	0.12
Interest due thereon	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	-	-

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

ii. Trade Payables aging schedule

Particulars	As at 31 March 2023				
	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,039.98	685.41	4.13	0.09	1,729.61
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at 31 March 2022				
	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.12	-	-	-	0.12
(ii) Others	1,728.21	-	62.79	-	1,791.00
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

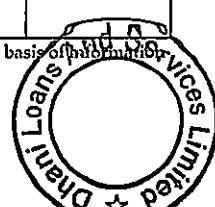
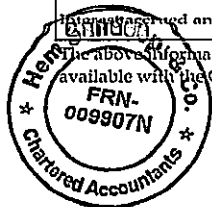
Note - 18
Other payables

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding due to micro enterprises and small enterprises (i)	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	4,700.71	8,941.65
	<u>4,700.71</u>	<u>8,941.65</u>

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
Details of other payable dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
Interest due thereon	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	-	-

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



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 19
Debt securities (at amortised cost)

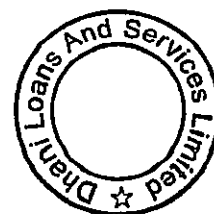
	As at 31 March 2023	As at 31 March 2022
Secured		
Non-convertible debentures - secured (i)	32,097.24	54,506.34
Total	32,097.24	54,506.34
Debt securities in India	32,097.24	54,506.34
Debt securities outside India	-	-
Total	32,097.24	54,506.34

Note:

i) Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

Interest rate/Effective yield	Face value (Amount in Rs.)	Issue date	Redemption date	As at 31 March 2023			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.00 % (Effective yield)	1,000.00	17-May-2022	22-May-2023	2,69,344.00	2,693.44	219.67	2,913.11
10.50%	1,000.00	2-Feb-2022	2-Feb-2024	38,820.00	388.20	3.48	391.68
10.50 % (Effective yield)	1,000.00	2-Feb-2022	2-Feb-2024	47,849.00	478.49	53.05	531.54
10.03%	1,000.00	2-Feb-2022	2-Feb-2024	70,965.00	709.65	(5.47)	704.18
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084.00	4,700.84	34.48	4,735.32
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712.00	2,607.12	19.97	2,627.09
11.00 % (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776.00	1,937.76	1,017.80	2,955.56
10.50%	1,000.00	17-May-2022	17-May-2024	3,67,125.00	3,671.25	276.62	3,947.87
10.50 % (Effective yield)	1,000.00	17-May-2022	17-May-2024	11,967.00	119.67	8.46	128.13
10.03%	1,000.00	17-May-2022	17-May-2024	42,615.00	426.15	(5.24)	420.91
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425.00	1,564.25	(14.86)	1,549.39
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003.00	1,280.03	89.51	1,369.54
10.60 % (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856.00	438.56	195.66	634.22
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907.00	379.07	(0.25)	378.82
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099.00	1,180.99	69.69	1,250.68
10.50 % (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362.00	103.62	43.87	147.49
11.00%	1,000.00	2-Feb-2022	31-Jan-2025	1,13,954.00	1,139.54	5.16	1,144.70
11.00 % (Effective yield)	1,000.00	2-Feb-2022	31-Jan-2025	91,679.00	916.79	102.46	1,019.25
10.49%	1,000.00	2-Feb-2022	31-Jan-2025	2,56,028.00	2,560.28	(33.17)	2,527.11
11.00%	1,000.00	17-May-2022	16-May-2025	71,492.00	714.92	53.29	768.21
11.01 % (Effective yield)	1,000.00	17-May-2022	16-May-2025	40,270.00	402.70	28.15	430.85
10.49%	1,000.00	17-May-2022	16-May-2025	1,54,835.00	1,548.35	(26.76)	1,521.59
Total				29,961.67	29,961.67	2,135.57	32,097.24

(This space has been intentionally left blank)



Note - 19

Debt securities (at amortised cost) [Continued]

i) Secured redeemable non convertible debentures (payable at par unless otherwise stated) include:

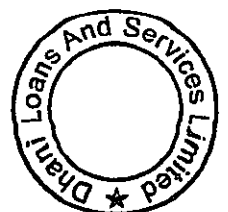
Interest rate/Effective yield	Face value (Amount in Rs.)	Issue date	Redemption date	As at 31 March 2022			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	3,249.81	25.84	3,275.65
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	7,553.69	65.10	7,618.79
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	2,358.42	879.01	3,237.43
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	7.90	4,708.74
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	6.13	2,613.25
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	717.33	2,655.09
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	1,237.09	(1.74)	1,235.35
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	1,220.95	93.52	1,314.47
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	427.80	132.39	560.19
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(36.11)	1,528.14
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	72.20	1,352.23
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	129.08	567.64
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	297.04	2.00	299.04
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	224.70	13.06	237.76
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	85.56	24.16	109.72
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	0.61	379.68
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	64.06	1,245.05
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	29.49	133.11
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	2,500.00	83.15	2,583.15
10.00% (Effective yield)	1,000.00	2-Feb-2022	7-Feb-2023	12,86,428	12,864.28	(103.63)	12,760.65
10.50%	1,000.00	2-Feb-2022	2-Feb-2024	38,820	388.20	(2.51)	385.69
10.50% (Effective yield)	1,000.00	2-Feb-2022	2-Feb-2024	47,849	478.49	(4.50)	473.99
10.03%	1,000.00	2-Feb-2022	2-Feb-2024	70,965	709.65	(17.83)	691.82
11.00%	1,000.00	2-Feb-2022	31-Jan-2025	1,13,954	1,139.54	(7.25)	1,132.29
11.00% (Effective yield)	1,000.00	2-Feb-2022	31-Jan-2025	91,679	916.79	(8.59)	908.20
10.49%	1,000.00	2-Feb-2022	31-Jan-2025	2,56,028	2,560.28	(61.06)	2,499.22
Total					52,404.53	2,101.81	54,506.34

ii. Non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon to the extent as stated in the respective information memorandum/offering documents/prospectus. Further, the Company has maintained asset cover as stated in the respective information memorandum/offering documents/prospectus.

Note - 20

Borrowings (other than debt securities) (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Term loans		
- From banks - secured (i)	-	76,993.52
- From financial institution - secured (ii)	-	25,748.65
Loans from related parties		
- Ultimate Holding Company of Group- unsecured (iii)	19,415.00	19,450.00
- From Fellow Subsidiary Companies- unsecured (iii)	-	8,446.70
Loans repayable on demand from banks- secured (iv)	-	15,004.01
Vehicle loans from bank - secured (v)	-	1.04
Liability against securitised assets (vi)	6,294.91	-
Loan taken from others (unsecured)	900.00	-
Total	26,609.91	1,45,643.92
Borrowings in India	26,609.91	1,45,643.92
Borrowings outside India	-	-
Total	26,609.91	1,45,643.92



Note - 20

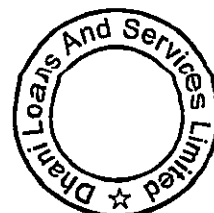
Borrowings (other than debt securities) (at amortised cost) (continued):

i) Term loans from banks and financial institutions by holding Company includes:

Particulars	Security	As at 31 March 2023		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
NIL	NA	-	-	-

i) Term loans from banks and financial institutions by holding Company includes:

Particulars	Security	As at 31 March 2022		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	2,500.00	(0.17)	2,499.83
Indian Overseas Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	14,927.59	(13.58)	14,914.01
Bank of Baroda (eVijaya Bank) : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	14,947.13	(8.64)	14,938.49
Punjab & Sind Bank : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	24,953.72	(1.37)	24,952.35
Union Bank of India : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	14,711.89	(8.70)	14,703.19
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of Rs. 7,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	4,000.00	62.15	4,062.15
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of Rs. 4,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,000.00	43.89	3,043.89
National Bank for Agriculture and Rural Development : This loan is repayable in five years with instalments of Rs. 5,460.00 lakh each to be paid for the first six instalments and instalments of Rs. 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,640.00	53.35	3,693.35
South Indian Bank : This loan is repayable in 3 equated instalments of Rs. 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	5,000.00	(14.33)	4,985.67
National Bank for Agriculture and Rural Development : This loan is repayable in 20 equated quarterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	15,000.00	(50.75)	14,949.25
Total		1,02,680.33	61.85	1,02,742.18



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 20

Borrowings (other than debt securities) (at amortised cost) (continued):

Interest rate on term loans varies from 8.15% to 10.75% per annum as at 31 March 2022.

ii) In respect of the Holding Company's borrowings from banks or financial institutions on the basis of security of current assets, quarterly returns or statements of current assets filed by the Holding Company with banks or financial institutions are in agreement with the books of accounts.

iii) (a) Unsecured Inter corporate loans taken from Ultimate Holding Company & Fellow Subsidiary Company by three subsidiary companies are repayable on demand and carries interest rate of 8.25%.

iv) Loans taken by the Holding Company from banks, repayable on demand, includes:

Particulars	As at 31 March 2023	As at 31 March 2022
RBL Bank Limited : This Working capital demand loan is repayable between 7 days to 6 Months. Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	-	15,004.01
Total	-	15,004.01
Total	-	15,004.01

Interest rate on loans repayable on demand is Nil (31st March,2022- 9.80% per annum)

v) The Group has not been declared a wilful defaulter by any bank or financial institution or by any other lender during the year or during the previous year.

vi) Securitisation liabilities:

In the course of its business, the Holding Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Holding Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Particulars	As at 31 March 2023	As at 31 March 2022
India Retail Pool Opportunities Trust 2	6,294.91	-
Total	6,294.91	-

(a) Interest rate on securitisation liabilities is at a floating rate of 13.30% per annum which equal to long term reference rate of Aditya Birla Finance Limited less the spread of 6.95%.

(b) The above mentioned amount of Securitisation liabilities is considered after netting off investment (Minimum retention amount) of ₹ 1,688.07 lakhs made by the Company in the Securitisation deal

Note - 21

Lease Liabilities

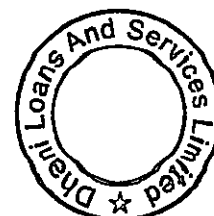
	As at 31 March 2023	As at 31 March 2022
Lease liabilities (refer note - 41)	4,564.58	18,389.53
	4,564.58	18,389.53

Note - 22

Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Temporary overdraft bank balances as per books	94.74	-
Interest accrued on assigned loans	905.29	4,231.47
Expenses payable	247.04	1,262.82
Amount held on behalf of merchants from digital wallet business	50.36	12,483.38
Others:		
- Amount payable on assigned/secured loans	6,181.07	6,991.80
- Other payables	1,508.47	2,800.82
	8,986.97	29,770.35

22.1. Amount payable on assigned/secured loans represents the amount collected on sell down portfolio where cash flows are required to be passed on to the counterparty either through direct assignment or pass through credit.



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 23

Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for taxation (Net of advance tax including tax deducted at source)	172.36	-
	<u>172.36</u>	<u>-</u>

Note - 24

Provisions

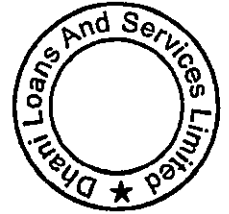
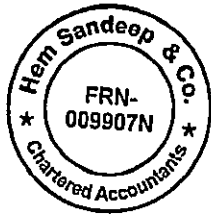
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
Provision for gratuity (refer note 45 (ii))	1,294.16	1,183.28
Provision for compensated absences	616.11	556.96
	<u>1,910.27</u>	<u>1,740.24</u>

Note - 25

Other non-financial liabilities

	As at 31 March 2023	As at 31 March 2022
Advances from customers	567.37	1,068.29
Statutory liabilities	675.72	1,778.58
	<u>1,243.09</u>	<u>2,846.87</u>

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 26
Share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
(i) Authorised				
Equity shares of face value of ₹ 10 each	7,70,00,000	7,700.00	7,70,00,000	7,700.00
Preference shares of face value of ₹ 10 each	85,00,000	850.00	85,00,000	850.00
	<u>8,55,00,000</u>	<u>8,550.00</u>	<u>8,55,00,000</u>	<u>8,550.00</u>

The members of the Holding Company at their extra-ordinary meeting held on 15 December 2021 have approved the reclassification of the authorised share capital of the holding Company from ₹ 8,550.00 lakhs divided into 8,00,00,000 equity shares of ₹ 10 each and 55,00,000 preference shares of ₹ 10 each, to ₹ 8,550.00 lakh divided into 7,70,00,000 equity shares of ₹ 10 each and 85,00,000 Preference shares of ₹ 10 each.

(ii) Issued, subscribed and paid up

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid up:				
Equity shares of face value of ₹ 10 each	6,11,88,000	6,118.80	6,11,88,000	6,118.80
	<u>6,11,88,000</u>	<u>6,118.80</u>	<u>6,11,88,000</u>	<u>6,118.80</u>

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	6,11,88,000	6,118.80	6,11,88,000	6,118.80
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<u>6,11,88,000</u>	<u>6,118.80</u>	<u>6,11,88,000</u>	<u>6,118.80</u>

Preference Shares

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	-	-	-	-
Add: issued during the year	-	-	80,08,178	800.82
Less: redeemed during the year	-	-	-80,08,178	-800.82
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 16 December 2021, the Board of Directors of the Holding Company, pursuant to the applicable provisions of Companies Act, 2013, authorized the issue and allotment of 80,08,178 redeemable convertible preference shares ("RCPS") at an issue price of ₹ 765 per RCPS including a premium of ₹ 755 per RCPS and face value of ₹ 10 per RCPS, to Dhani Services Limited ("DSL"), its parent company, for consideration received in cash.

In accordance with the terms of the issue of the RCPS, dividend was payable at the coupon rate of 0.001% per annum, payable at the end of each financial year.

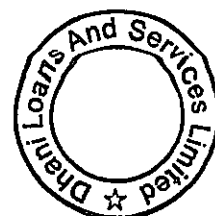
DSL, at its sole option, can request the Holding Company to convert into fully paid up equity shares of the Holding Company at any time, on or before 5 years from the date of issue, at the value per equity share of the Holding Company on such date of conversion or redeem the RCPS.

On 30 March 2022, the Holding Company has redeemed the RCPS in full at a premium of ₹ 755 per RCPS by utilising the credit in the Securities Premium Account.

Further, in accordance with the Act, the Holding Company has appropriated ₹ 800.82 lakh to the Capital Redemption Reserve.

(iv) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to received 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.



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 26

Share capital(continued):

(v) Shares held by shareholders each holding more than 5% shares:

No. of shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of holding	No. of shares	% of holding
Dhani Services Limited and its nominees	6,11,88,000	100%	6,11,88,000	100%

(vi) Shares held by promoters at the end of the year:

Name of Promoter	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Change during the year	No. of shares	% Change during the year
Dhani Services Limited	6,11,88,000	0%	6,11,88,000	0%

Dhani Services Limited holds 100% equity share capital in the Company as at 31 March 2023 and 31 March 2022.

As per records of the Holding 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.

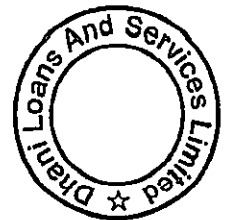
(vii) The Holding Company has not issued any bonus shares during the current year and five years immediately preceding current year.

(viii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 27

Other equity

	As at 31 March 2023	As at 31 March 2022
Reserve fund	13,270.01	13,270.01
Capital reserve	(6,276.75)	(6,276.75)
Securities premium	2,97,303.58	3,70,264.78
Capital redemption reserve	900.82	900.82
Other component equity	643.61	643.61
Deemed equity contribution by DSL	1,461.22	1,461.22
General reserve	701.90	701.90
Share options outstanding account	541.94	6,200.29
Retained earnings	(26,412.75)	(11,058.51)
Change in fair value of loan assets through other comprehensive income	0.00	21.17
Equity attributable to the owners of the Holding Company	2,82,133.58	3,76,128.54
Total non- controlling interest	6,375.68	6,364.21
Total other equity	2,88,509.26	3,82,492.75



Note - 27

Other equity (continued)

Nature and purpose of other reserves:

(i) Reserves fund

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

(ii) Capital reserve

Capital reserve represents amounts recorded on acquisition of subsidiaries in accordance with Ind AS 103 - Business Combinations.

(iii) Securities premium

Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

During the year ended 31 March 2023, the Holding Company has utilised/ applied an amount of Rs. 72,961.20 lakhs (net of deferred tax) from the outstanding balance in the securities premium account for creating a provision for impairment losses on financial instruments, instead of debiting the same to its consolidated Statement of Profit and Loss, which is not in strict accordance with the applicable provisions of Indian Accounting Standards and other applicable regulations. The Reserve Bank of India issued a communication to the industry dated 20 June 2022 which impacted one of the Holding Company's products/services offered to its customers. Consequently, the Holding Company, on a conservative basis, has created the above mentioned provision in respect of any future, unanticipated losses which may arise on account of the impact of the above RBI communication.

(iv) Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

(v) Debenture redemption reserve

The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Holding Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. However, pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 notified on 16 August 2019 by Ministry of Corporate Affairs (MCA), debenture redemption reserve is not required for debentures issued by All India Financial Institutions regulated by Reserve Bank of India and Banking Companies for both public as well as privately placed debentures.

(vi) Change in fair value of loan assets through other comprehensive income

This reserve has been created against change in business model for loan against property ("LAP"), business installments loan and personal loan from "hold to collect" to "hold to collect and sale".

(vii) General reserve

The Group is required to create a general reserve out of the profits when the Group declares dividend to shareholders.

(viii) Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Holding Company under its parent company's (DSL) ESOP plans.

(ix) Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

(x) Deemed equity contribution

The reserve has been created against initial measurement of financial guarantee (given by DSL, the parent company of the Holding Company) at fair value.

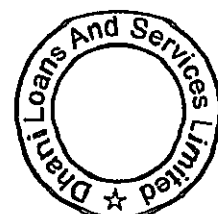
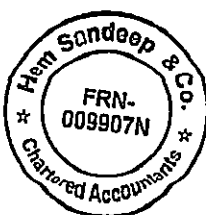
(xi) Other component of equity

The reserve has been created against exercised amount of employee stock option (issued by DSL, the parent company of the Holding Company).

(xii) Retained earnings

Retained earnings represents surplus / accumulated earning of the Group and are available for distribution to shareholders.

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 28
Interest income

	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial assets measured at amortised cost -		
- Interest on loans	17,767.14	42,756.58
- Interest on deposits with banks	877.37	1,520.70
- Other interest income	970.73	1,593.62
On financial assets measured at fair value through profit or loss -		
Interest income from investments		
- Bonds	116.60	-
- Alternative investment funds	23.86	3.18
- Security receipts	-	75.68
Total	19,755.70	45,949.76

Note - 29
Fees and commission income

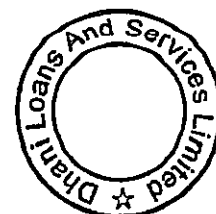
	For the year ended 31 March 2023	For the year ended 31 March 2022
Commission and brokerage income	361.06	887.72
Subscription income	10,032.10	31,007.26
Foreclosure fees and other related income	9,597.90	6,896.92
Management fee	80.18	110.43
Remittance and marchant program	3.34	6.38
Digital wallet program	3,673.18	14,883.25
Total	23,747.76	53,791.96

Note - 30
Net gain on fair value changes

	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Gain/ (Loss) of sale of investments/ mutual fund	1,733.48	1,754.90
Total net gain on fair value changes	1,733.48	1,754.90
Fair value changes		
- Realised gain	1,736.99	1,959.72
- Unrealised gain/ (loss)	(3.50)	(204.82)
Total net gain on fair value changes	1,733.49	1,754.90

Note - 31
Net gain on derecognition of financial assets

	For the year ended 31 March 2023	For the year ended 31 March 2022
Gain on sale of loan portfolio through assignment	-	124.18
Gain on derecognition of financial instruments	22.16	19.61
	22.16	143.79



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 32

Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Excess provisions written back	6,236.35	706.20
Gain on modification/derecognition of right of assets	1,479.06	852.88
Reimbursement of common expenses	-	1,509.49
Miscellaneous income	55.78	41.46
Total	7,771.19	3,110.03

Note - 33

Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	6,322.76	15,592.43
Interest on debt securities	5,169.72	4,779.03
Other interest expense	1,212.24	4,021.35
Other borrowing cost	31.48	152.51
Total	12,736.20	24,545.32

Note - 34

Fees and commission expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Management and collection fee	36.26	-
Commission expense	-	495.45
Digital wallet expenses	4,381.31	9,861.40
Total	4,417.57	10,356.85

Note - 35

Impairment on financial assets (measured at amortised cost)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Measured at amortised cost		
Impairment allowances on loans, trade receivables and others	24,946.05	28,041.13
Impairment allowance on interest spread on assigned assets	(22.64)	(1,611.15)
Impairment allowance - security receipts	-	(1,772.68)
Loans, trade receivable and other financial assets write off (Net of bad debt recovered)	(10,985.88)	10,812.63
Total	13,937.53	35,469.93

Note - 36

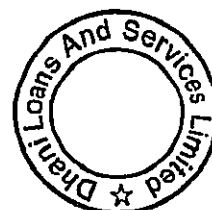
Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	27,289.02	25,994.75
Contribution to provident fund and other funds	520.73	516.40
Share-based payments to employees	(4,679.97)	3,271.84
Staff welfare expenses	114.90	209.36
Total	23,244.68	29,992.35

Note - 37

Depreciation and amortisation

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	2,009.25	1,947.65
Amortisation on intangible assets	2,728.75	2,094.90
Depreciation on right-of-use assets	2,075.17	3,099.80
Total	6,813.17	7,142.35



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 38

Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease rent	538.46	749.59
Rates and taxes	124.91	180.45
Office maintenance	589.54	941.79
Repairs and maintenance - others	422.04	306.40
Travelling and conveyance	612.14	634.42
Communication costs	368.21	903.46
Printing and stationery	83.13	130.02
Software expenses	4,706.84	3,731.35
Electricity expenses	346.03	374.69
Legal and professional charges	3,462.15	8,455.06
Bank charges	395.24	892.34
Insurance	5.28	21.96
Web hosting expenses	64.49	684.05
Leased line expenses	92.50	109.80
Business promotion	3,520.18	8,758.33
Corporate social responsibility expenses (refer note- 44)	20.29	348.10
Loss on derecognition of corporate guarantee	36.49	-
Loss on modification/derecognition of financial assets	21.20	85.42
Loss on sale/scraping of property, plant and equipment (net)	707.32	103.25
Miscellaneous expenses	77.16	10.78
Total	16,193.60	27,421.26

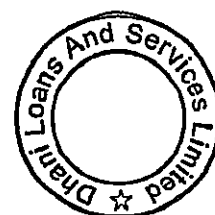
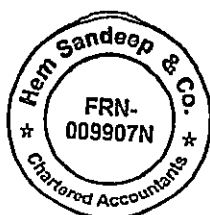
Note - 39

Tax expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
Income tax for current year	424.19	8.19
Income tax for earlier years	-	0.21
Current tax (including earlier years)	424.19	8.40
Deferred tax		
Deferred tax credit	(7,691.67)	(6,621.79)
Deferred tax charge/(credit)	(7,691.67)	(6,621.79)
Income tax expense reported in the statement of profit and loss	(7,267.48)	(6,613.39)

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (31 March 2022: 25.168%) and the reported tax expense in Consolidated Statement of Profit and Loss are as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Reconciliation of effective tax rate		
Accounting profit before tax expense	(24,312.46)	(30,177.62)
Income tax rate	25.168%	25.168%
Expected tax expense	(6,118.96)	(7,595.10)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax impact on items exempt under income-tax	(100.34)	(198.15)
Tax impact of expenses which will never be allowed	190.41	127.30
Earlier years tax adjustments (net)	(434.71)	0.21
Tax losses for which no deferred tax was recognised	345.67	-
Tax impact of difference in tax rate on certain items	308.49	(41.45)
Others	(1,458.04)	1,093.80
Income-tax expense	(7,267.48)	(6,613.39)

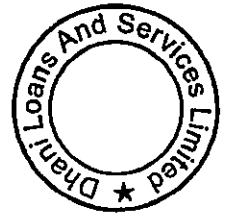


Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 40
Earnings per equity shares

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit / (Loss) available for equity shareholders	(17,056.45)	(23,416.47)
Basic/diluted earnings per equity share:		
Weighted average number of equity shares used for computing basic earnings per equity share	6,11,88,000	6,11,88,000
Effect of dilution:		
Weighted average number of equity shares used in computing diluted earnings per equity share	6,11,88,000	6,34,91,722
Face value of equity share (Rs.)	10.00	10.00
Earnings per equity share -		
- Basic (Rs.)	(27.88)	(38.27)
- Diluted (Rs.)	(27.88)	(38.27)

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 41

Leases

The Group has executed lease agreements for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets ("ROU" assets). The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short-term leases	538.46	749.59

B Total cash outflow for leases for the year ended 31 March 2023 was ₹ 2,362.99 lakh (31 March 2022: ₹ 3,761.8 lakh).

C The Group has total commitment for short-term leases of ₹ Nil as at 31 March 2023 (31 March 2022: ₹ Nil).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2023	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	1,378.82	1,022.52	964.05	908.52	719.16	1,158.95	6,152.02
Interest Expense	443.42	353.55	284.52	210.94	143.87	151.14	1,587.44
Net Present Value	935.40	668.97	679.53	697.58	575.29	1,007.81	4,564.58

31 March 2022	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	4,471.78	4,102.58	3,820.14	3,909.98	3,761.08	5,157.13	25,222.69
Interest Expense	1,789.43	1,521.49	1,253.80	964.26	643.21	660.97	6,833.16
Net Present Value	2,682.35	2,581.09	2,566.34	2,945.72	3,117.87	4,496.16	18,389.53

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2023 is of ₹ Nil (31 March 2022: ₹ Nil).

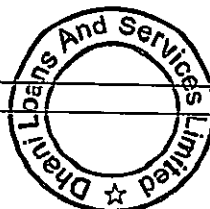
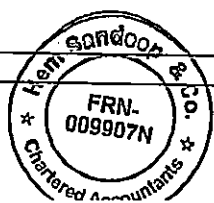
F The table below describe the nature of the Group's lease activities by type of right-of-use asset recognised on balance sheet :

Year	Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2023	Office Building	114	6 Month to 100 Month	50 Months	-	-	114
As at 31 March 2022	Office Building	189	6 Month to 106 Month	65 Months	-	-	189

G The total future cash outflows as at 31 March 2023 for leases that had not yet commenced ₹ 0.40 lakh (31 March 2022: ₹ 10.82 lakh).

H The following is the movement in lease liabilities during the year :

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance		13,398.66
Additions	18,389.53	12,980.99
Finance cost accrued	629.08	1,627.46
Deletion	1,000.74	(5,855.78)
Payment of lease liabilities	(13,091.78)	(3,761.80)
Closing Balance	(2,362.99)	4,564.58



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 42

A. Contingent liabilities not provided for in respect of:

The Holding Company is involved in certain appellate and judicial proceedings (including those described below) concerning matters arising in the normal course of business including claims from customers. The proceedings in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Holding Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, Management is of the view that based on currently available information no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the group not acknowledged as debts in respect of* - Holding Company:		
- Income tax demand in respect of assessment year 2018-19 against which the Company has preferred an appeal before the CIT (Appeals) which was partly allowed vide order dated 18 July 2022.	-	588.41
- Income tax demand in respect of assessment year 2013-14 against which the Company has filed appeal before the CIT (Appeals) was allowed vide order dated 28 Feb 2022. During the year ended 31 March 2023, the Income Tax Department has preferred an appeal against the aforesaid order before the ITAT, Delhi which is still pending as on date.	95.04	-
Subsidiary Companies:		
- Income tax demand in respect of assessment year 2018-19 against which the subsidiary company has preferred an appeal before the CIT (Appeals)	56.72	56.72
- Goods and Service Tax (including interest there on) - on account of rejection of ITC claimed on input services vide an order passed by the Deputy Commissioner of State Tax, against which the subsidiary company has preferred an appeal with the Joint Commissioner of State Tax	34.82	34.82
Claims against a subsidiary company not acknowledged as debts on account of pending litigation		
Total	57.07	-
	243.65	679.95

B. Commitments:

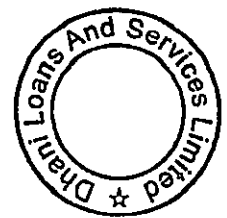
Particulars	As at 31 March 2023	As at 31 March 2022
Capital commitment for purchase of property, plant and equipment (net of capital advances paid)	41.80	15,829.08

Note- 43

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
Balance as at 01 April 2021				
Cash flows:	77,060.33	2,74,058.34	13,398.66	3,64,517.33
- Repayment				
- Proceeds	(41,448.50)	(2,25,289.58)	(3,761.80)	(2,70,499.88)
Non cash:	19,057.22	97,165.50	-	1,16,222.72
- Amortisation of upfront fees and others				
- Addition during the year (net)	112.09	187.64	-	299.73
- Addition/(reduction) in interest accrued	-	-	13,066.21	13,066.21
- Others	(274.80)	(477.98)	-	(752.78)
Balance as at 31 March 2022	-	-	(4,313.54)	(4,313.54)
Balance as at 01 April 2022	54,506.34	1,45,643.92	18,389.53	2,18,539.79
Cash flows:	54,506.34	1,45,643.92	18,389.53	2,18,539.79
- Repayment				
- Proceeds	(32,019.34)	(1,31,451.69)	(2,362.99)	(1,65,837.02)
Non cash:	9,576.48	12,545.37	-	22,121.85
- Amortisation of upfront fees and others				
- Addition during the year (net)	(128.96)	(124.69)	-	(253.65)
- Addition/(reduction) in interest accrued	-	-	629.08	629.08
- Others	162.72	-	-	162.72
Balance as at 31 March 2023	-	-	(12,091.04)	(12,091.04)
	32,097.24	26,609.91	4,564.58	63,271.73



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note- 44
Corporate social responsibility expenses

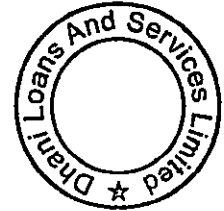
Disclosure with regard to CSR Activities pursuant to MCA notification dated 24th March 2021:
a) In respect of Transerv Limited, a subsidiary company:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Amount required to be spend by the subsidiary company during the year		
(b) Amount of expenditure incurred	20.29	348.10
(c) Shortfall at the end of the year	-	348.10
(d) Total of previous year shortfall	20.29	-
(e) Reason for the shortfall	-	-
(f) Nature of CSR activities:	Refer Note - 44.1	NA
(i) Free distribution of medicines including health care services	Refer Note - 44.2	
(ii) promotion of education including scholarship to students	-	333.50
(g) Details of related parties transactions	-	14.60
(h) Movements in the provision during the year.	-	-

44.1 : During the year ended March 31, 2023, the subsidiary company had contributed Rs. 20.29 lakhs, being the amount required to be spent towards Corporate Social Responsibility expenses to a Trust. The said amount was not utilised / spent for the intended CSR activity by the Trust till March 31, 2023. Accordingly, subsequent to the year end, on May 2, 2023 (April 30, 2023 and May 1, 2023 being public holidays), the Trust credited Rs. 20.29 lakhs to a Special Account maintained with a scheduled bank.

44.2: Nature of CSR activities: Promotion of Education including Scholarship to Students.

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 45
Employee benefits

(i) Defined contribution plans:

The Group pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. The respective companies in the Group and the employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. An amount of ₹ 520.73 lakh (31 March 2022 ₹ 516.40 lakh) pertaining to employers' contribution to provident and other fund is recognised as an expense and included in "Employee benefits expense" in the Consolidated Statement of Profit and Loss for the year ended March 31, 2023.

(ii) Defined benefit plans:

The Group operates unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Group's financial statements as at balance sheet date:

a.) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation		
Fair value of plan assets	1,294.16	1,183.28
Net obligation recognised in balance sheet as provision	-	-
	1,294.16	1,183.28

b.) Reconciliation of present value of defined benefit obligation:

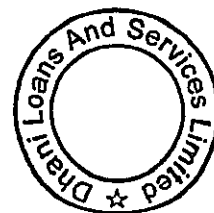
Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year		
Current service cost	1,183.28	1,542.14
Interest cost	425.79	479.26
Actuarial loss recognised in other comprehensive income :	98.17	114.62
- Demographic assumptions		
- Financial assumptions		
- Experience adjustment	(49.04)	(64.96)
Benefits paid	(918.23)	(71.68)
Acquisition adjustments on acquisition of subsidiary/ transfer of employees	(390.26)	(156.30)
Balance at the end of the year	944.46	(659.80)
	1,294.17	1,183.28

c.) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	425.79	479.26
Interest cost	98.17	114.62
Total	523.96	593.88

d.) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss on defined benefit obligations	(967.27)	(136.64)
Total	(967.27)	(136.64)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 45
Employee benefits (continued)

e.) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting dates:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.36%	7.18%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
Weighted average duration	21.15	22.22

f.) Sensitivity analysis for gratuity liability

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Present value of obligation at the end of the year				
Discount rate (0.5% movement)	1,294.16	1,294.16	1,183.28	1,183.28
Salary escalation rate (0.5% movement)	(92.51)	102.72	(80.56)	88.62
	104.63	(94.90)	90.10	(82.52)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.
 Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

g.) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 1 year	18.65	19.08
Between 1-2 years	16.12	16.45
Between 2-5 years	102.58	86.84
Over 5 years	1,156.81	1,060.90
Total	1,294.16	1,183.27

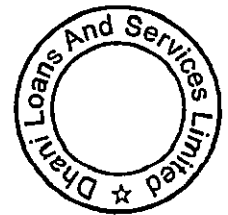
Expected contribution for the next annual reporting period

518.02 578.08

(iii) Other long term employee benefit plans

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. Expense of ₹ 229.43 lakhs has been charged (31 March 2022: ₹ 313.21 lakhs) for the year on the basis of actuarial valuation at the year end and debit/credit to the Consolidated Statement of Profit and Loss.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.



DHANI LOANS AND SERVICES LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 46

Employee stock option schemes:

Dhani Services Limited, the parent company of the Holding Company or "DSL" has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of its employees and its subsidiary companies.

A. Grants during the year:

DSL has established the "Udaan Employee Welfare Trust" ("Udaan - EWT") ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme - 2008 & 2009" (Scheme) for the benefit of its employees and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 1,16,00,000 (One crore sixteen lakh) lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) to the employees of the DSL and its subsidiaries as permitted by SEBI.

DSL has granted 18,00,000 and 98,00,000 employees stock options under DSL ESOP-2008 and DSL ESOP-2009 schemes respectively. Detail of same is as below:

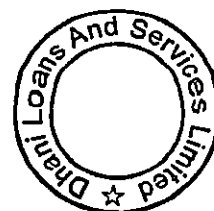
Name of Scheme	No. of options granted	DSL ESOP - 2008	DSL ESOP - 2009
		18,00,000	98,00,000
Exercise price (₹)		30	30

B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

Total options under the scheme (Nos.)	DSL ESOP - 2008				
	97,00,000 (Regrant)	8,80,600 (Regrant)	2,00,00,000 18,00,000 (Regrant)	18,00,000 (Regrant)	17,00,000 (Regrant)
Options granted (Nos.)					
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2nd July each year, commencing 2 July 2017	25 th March each year, commencing 25 March 2019	28 th June each year, commencing 28 June 2023	25 th February each year, commencing 25 February 2023	01 st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	24.15	254.85	30	68	150
Outstanding at the beginning of 1 April 2021 (Nos.)	46,24,800	86,800	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-
Forfeited during the year (Nos.)	30,000	59,400	-	18,00,000	17,00,000
Exercised during the year (Nos.)	-	-	-	-	17,00,000
Expired during the year (Nos.)	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	45,94,800	27,400	-	-	-
Vested and exercisable as at 31 March 2022 (Nos.)	45,94,800	-	-	18,00,000	-
Remaining contractual life (weighted months)	42	72	-	95	-
Outstanding at the beginning of 1 April 2022 (Nos.)	45,94,800	27,400	-	18,00,000	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-
Forfeited during the year (Nos.)	5,50,400	27,400	18,00,000	-	-
Exercised during the year (Nos.)	22,00,000	-	-	18,00,000	-
Expired during the year (Nos.)	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-	-
Outstanding as at 31 March 2023 (Nos.)	18,44,400	-	18,00,000	-	-
Vested and exercisable as at 31 March 2023 (Nos.)	18,44,400	-	-	-	-
Remaining contractual life (weighted months)	30	-	87	-	-

Weighted average exercise price of share during the year ended 31 March 2023: Not applicable (31 March 2022: Not applicable).



DHANI LOANS AND SERVICES LIMITED
Notes to Consolidated Financial Statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

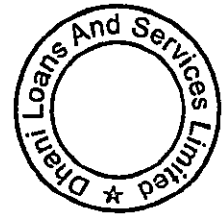
Note - 46

Employee Stock Option Schemes (continued)

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000	98,00,000	1,00,00,000
Vesting period and percentage	Ten years, 10% each year	(Regrant) Five years, 20% each year	(Regrant) Five years, 20% each year	(Regrant) Five years, 20% each year
Vesting date	13 th April each year, commencing 13 April 2011	13 th May each year, commencing 13 May 2017	28 th June each year, commencing 28 June 2023	2 nd September each year, commencing 2 September 2018
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16	30	219.65
Outstanding at the beginning of 1 April 2021 (Nos.)	50,000	25,25,600	-	26,85,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	24,000	-	-
Exercised during the year (Nos.)	-	-	-	13,88,800
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	12,96,800
Remaining contractual life (Weighted Months)	36	43	-	65
Outstanding at the beginning of 1 April 2022	50,000	25,01,600	-	12,96,800
Granted/ regranted during the year (Nos.)	-	-	98,00,000	-
Forfeited during the year (Nos.)	-	7,11,200	-	-
Exercised during the year (Nos.)	-	-	-	12,96,800
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year	-	-	-	-
Outstanding as at 31 March 2023 (Nos.)	50,000	17,90,400	98,00,000	-
Vested and exercisable as at 31 March 2023 (Nos.)	50,000	17,90,400	-	-
Remaining contractual life (Weighted Months)	24	31	87	-

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

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

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 46

Employee Stock Option Schemes (continued)

	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000
Options granted (Nos.)	98,00,000	84,00,000
Vesting period and percentage	(Regrant) Five years, 20% each year	(Regrant) Five years, 20% each year
Vesting date	25 th February each year, commencing 25 February 2023	01 st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	68.00	150.00
Outstanding at the beginning of 1 April 2021		
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	98,00,000	84,00,000
Exercised during the year (Nos.)	-	84,00,000
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year	-	-
Outstanding as at 31 March 2022 (Nos.)	-	-
Vested and exercisable as at 31 March 2022 (Nos.)	98,00,000	-
Remaining contractual life (Weighted Months)	-	-
	95	-
Outstanding at the beginning of 1 April 2022		
Granted/ regranted during the year (Nos.)	98,00,000	-
Forfeited during the year (Nos.)	-	-
Exercised during the year (Nos.)	98,00,000	-
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year	-	-
Outstanding as at 31 March 2023 (Nos.)	-	-
Vested and exercisable as at 31 March 2023 (Nos.)	-	-
Remaining contractual life (Weighted Months)	-	-
	-	-

Weighted average exercise price of share during the year ended 31 March 2023: Nil (31 March 2022: Nil)

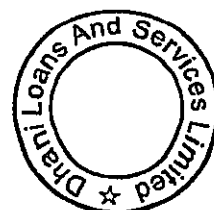
(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of DSL at their meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of DSL passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

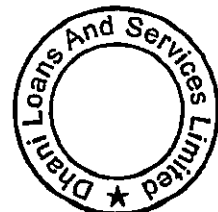
In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), DSL has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of DSL as on the date of approval of shareholders, from the secondary market. DSL has appropriated 10,400,000 fully paid up equity shares purchased by the Trust under the Scheme.



DHANI LOANS AND SERVICES LIMITED
Notes to Consolidated Financial Statements for the year ended 31 March 2023
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

	<u>DSL-ESBS 2019</u>
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
Outstanding at the beginning of 1 April 2021 (Nos.)	1,04,00,000
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year	-
Outstanding as at 31 March 2022 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	65
Outstanding at the beginning of 1 April 2022 (Nos.)	1,04,00,000
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	-
Outstanding as at 31 March 2023 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-

(This space has been intentionally left blank)



DHANI LOANS AND SERVICES LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 46

Employee Stock Option Schemes (continued)

(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of DSL at their meeting held on 23 January 2020; and (b) a special resolution of the shareholders of DSL passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), DSL has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of DSL as on the date of approval of shareholders, from the secondary market. DSL has appropriated 93,00,000 fully paid up equity shares purchased by the Trust under the Scheme.

	<u>DSL-ESBS 2020</u>
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7 th April each year, commencing 7 April 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
Outstanding as at 1 April 2021 (Nos.)	-
Granted/ regranted during the year	-
Exercised during the year (Nos.)	93,00,000
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant	-
Outstanding as at 31 March 2022 (Nos.)	-
Vested and exercisable as at 31 March 2022 (Nos.)	93,00,000
Remaining contractual life (Weighted Months)	NA
Remaining contractual life (Weighted Months)	NA
Outstanding as at 1 April 2022 (Nos.)	-
Granted/ regranted during the year	93,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	-
Outstanding as at 31 March 2023 (Nos.)	93,00,000
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-
Remaining contractual life (Weighted Months)	-

(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of DSL at its meeting held on 06 March 2021; and (b) a special resolution of the shareholders of DSL passed through postal ballot on 15 April 2021, result of which were declared on 16 April 2021.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2021 ("ESOP Plan 2021")
- Dhani Services Limited Employees Stock Purchase Plan 2021 ("ESP Plan 2021")
- Dhani Services Limited Stock Appreciation Rights Plan 2021 ("SARs Plan 2021")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), DSL has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 1,05,00,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of DSL as on the date of approval of shareholders, from the secondary market. DSL has not granted any options/ SARs under the said Scheme as at 31 March 2023.



DHANI LOANS AND SERVICES LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 46

Employee Stock Option Schemes (continued)

C. Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	97,00,000 Options Re-granted	DSL ESOP - 2008 8,80,600 Options Re-granted	18,00,000 Options Re-granted
1. Exercise price (₹)	24.15	254.85	68.00
2. Expected volatility *	42.97%	47.15%	69.05%
3. Option Life (Weighted Average) (in years)	6	6	6
4. Expected Dividends yield	10.82%	1.10%	1.01%
5. Risk Free Interest rate	7.45%	7.56%	5.50%
6. Fair value of the options (₹)	4.31	130.05	34.58

1. Exercise price (₹)
2. Expected volatility *
3. Option Life (Weighted Average) (in years)
4. Expected Dividends yield
5. Risk Free Interest rate
6. Fair value of the options (₹)

	20,50,000 Options	DSL ESOP - 2009 95,00,000 Options Re-granted	1,00,00,000 Options Re-granted
1. Exercise price (₹)	31.35	16	219.65
2. Expected volatility *	48.96%	40.74%	46.70%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
4. Expected dividends yield	6.86%	16.33%	1.27%
5. Risk free interest rate	8.05%	7.45%	6.54%
6. Fair value of the options (₹)	9.39	1.38	106.31

1. Exercise price (₹)
2. Expected volatility *
3. Expected forfeiture percentage on each vesting date
4. Expected dividends yield
5. Risk free interest rate
6. Fair value of the options (₹)

* The expected volatility was determined based on historical volatility data.

	DSL ESOP - 2009 98,00,000 Options	DSL-ESBS 2020 93,00,000 SARs	DSL-ESBS 2019 1,04,00,000 SARs
1. Exercise price (₹)	68	250	250
2. Expected volatility *	69.05%	76.57%	68.45%
3. Expected forfeiture percentage on each vesting date	6	Nil	Nil
4. Expected dividends yield	1.01%	1.26%	1.71%
5. Risk free interest rate	5.50%	4.36%	4.17%
6. Fair value of the options (₹)	34.58	65.82	55.49

1. Exercise price (₹)
2. Expected volatility *
3. Expected forfeiture percentage on each vesting date
4. Expected dividends yield
5. Risk free interest rate
6. Fair value of the options (₹)

* The expected volatility was determined based on historical volatility data.

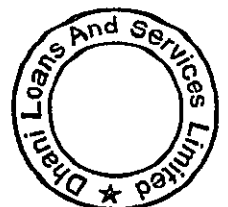
	DSL ESOP - 2008 & 2009 18,00,000 and 98,00,000 Options				
	28-Jun-23	28-Jun-24	28-Jun-25	28-Jun-26	28-Jun-27
1. Vesting Date	30	30	30	30	30
2. Exercise price (₹)	70.92%	68.20%	66.66%	65.39%	63.19%
3. Expected volatility *	Nil	Nil	Nil	Nil	Nil
4. Expected forfeiture percentage on each vesting date	0.66%	0.66%	0.66%	0.66%	0.66%
5. Expected dividends yield	6.70%	6.87%	6.97%	7.05%	7.09%
6. Risk free interest rate	15.69	17.00	18.15	19.09	19.69
7. Fair value of the options (₹)					
8. Average Price			17.92		

1. Vesting Date
2. Exercise price (₹)
3. Expected volatility *
4. Expected forfeiture percentage on each vesting date
5. Expected dividends yield
6. Risk free interest rate
7. Fair value of the options (₹)
8. Average Price

* The expected volatility was determined based on historical volatility data.

D. Share based payment expense:

The Group has recognised reversal of Share based payments expense to employees of ₹ 4,679.97 lakh (31 March 2022: expense of ₹ 3,271.84 lakh) in the Consolidated Statement of Profit and loss for the year ended 31 March 2023.



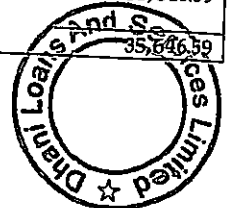
Note - 47

Segment reporting:

Segment information for the year ended 31 March 2023 as per Indian Accounting Standard 108 - 'Segment Reporting':

(A) Primary segment information (by business segments):

Particulars	For the year ended 31 March 2023					For the year ended 31 March 2022				
	Broking and related activities	Financing and related activities	Others	Inter-segment revenue	Total	Broking and related activities	Financing, digital wallet services and related activities	Others	Inter-segment revenue	Total
(i) Segment revenue	7,095.04	35,334.48	3,829.56	(999.98)	45,259.10	6,859.09	95,717.29	64.01	(999.98)	1,01,640.41
(ii) Segment results	590.79	(21,239.20)	(1,661.07)	-	(22,309.48)	(2,846.41)	(24,973.25)	(19.22)	-	(27,838.88)
Unallocated income net of other unallocated expenditure					(80.18)					(399.76)
Interest expenditure					(1,922.80)					(1,938.98)
Profit before tax					(24,312.46)					(30,177.62)
Tax expense					7,267.48					6,613.39
Profit after tax					(17,044.98)					(23,564.23)
Total other comprehensive income					702.66					(401.90)
Total comprehensive income for the year					(16,342.32)					(23,966.13)
(iii) Segment assets	73,851.66	2,02,680.86	-		2,76,532.52	80,066.68	5,24,915.81	-		6,04,982.49
Unallocated corporate assets					1,00,110.28					47,259.08
Total assets					3,76,642.80					6,52,241.57
(iv) Segment liabilities	580.23	59,426.28	-		60,006.51	7,301.70	2,56,322.50	-		2,63,624.20
Unallocated corporate liabilities					22,008.23					5.82
Total liabilities					82,014.74					2,63,630.02
(v) Capital expenditure including capital advances given (net)										
Unallocated capital expenditure including capital advances					(1,223.93)					(5,350.57)
Total capital expenditure including capital advances					(1,223.93)					(5,350.57)
(vi) Depreciation and amortisation	45.87	5,136.96	1,630.34		6,813.17	72.08	7,070.26	-		7,142.34
Unallocated depreciation and amortisation					-					-
Total depreciation and amortisation					6,813.17					7,142.34
(vii) Non cash expenditure other than depreciation										
Unallocated non cash expenditure other than depreciation					14,921.37					35,646.59
Non cash expenditure other than depreciation					14,921.37					35,646.59



Dhani Loans and Services Limited Group

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

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 47

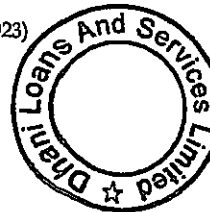
Segment reporting (continued):

- (B) The Group operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- (C) The Group's primary business segments are reflected based on principal business activities carried on by the Holding Company and its subsidiary companies. The Group's primary businesses are 'Financing and Related activities' and 'Broking and Related activities'. Broking and related activities include business as a brokerage on cross-selling of real estate, and other ancillary services relating to broking activities. Financing and related activities include business financing loans and other ancillary services.
- (D) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (E) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note 5.

Note - 48

Related party disclosures :

Nature of relationship	Names of related parties
(a) Detail of related parties :	
Ultimate Holding Company of the Group	Dhani Services Limited
Subsidiary companies:	TranServ Limited
	Indiabulls Distribution Services Limited
	Indiabulls Alternate Investments Limited
	Indiabulls Investment Advisors Limited
Fellow s subsidiary companies	Indiabulls Asset Reconstruction Company Limited and its Trusts
(with whom transactions took place)	Dhani Healthcare Limited
	Evinos Buildwell Limited
	Dhani Stocks Limited
Key management personnel	Mr. Pinank Jayant Shah, Whole Time Director and Chief Executive Officer (till 1 January 2023)
	Mr. Sanjeev Kashyap, Whole Time Director and Chief Executive Officer (w.e.f. 1 January 2023)
	Mr. Gagan Banga, Director (till 14 March 2022)
	Mr. Nafees Ahmed, Director (till 1 July 2022)
	Mr. Ajit Kumar Mittal, Director (till 26 April 2022)
	Mr. Labh Singh Sitara, Director
	Mrs. Preetinder Virk, Director (till 04 April 2022)
	Ms. Ritu Kapoor Puri, Director (w.e.f 04 April 2022)
	Mr. Akhil Gupta, Director (w.e.f 26 April 2022)
	Mr. Vipin Chaudhary, Director (01 July 2022 to 28 November 2022)
	Mr. Akshay Kumar Tiwary, Director (w.e.f. 28 November 2022)
	Dr. Narendra Damodar Jadhav, Director
	Mr. Rajeev Lochan Agrawal, Chief Financial Officer
	Mr. Divyesh B Shah, Whole Time Director and Chief Executive Officer of Dhani Services Limited (CEO w.e.f. 31 March 2023)
	Mr. Sameer Gehlaut, Chief Executive Officer and Executive Chairman of Dhani Services Limited (till 31 March 2023)

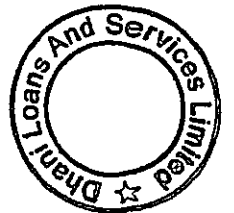


Note - 48

Related party disclosures (continued):

(b) Transactions with related parties :

Nature of transactions	Key management personnel		Ultimate Holding Company		Fellow subsidiaries	
	For the year ended		For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Finance						
- Loans given						
- Loans taken	-	-	-	-	82,231.35	50,331.60
Share capital						
- Issue of redeemable convertible preference shares (including premium)	-	-	19,415.00	19,450.00	-	34,429.70
- Redemption of redeemable convertible preference shares	-	-	-	61,262.56	-	-
Investment in security receipts						
- Investment in security receipts (net)	-	-	-	61,262.56	-	-
Liabilities						
- Employee benefits transfer paid	-	-	-	-	3,610.38	-
Income						
- Interest income from loan	31.35	-	-	-	(1,335.84)	(1,162.85)
- Service fee from securitisation	-	-	-	-	1,034.71	3,416.90
- Sale of Non Performing Assets (NPA)	-	-	-	-	28.50	-
- Charge back for common expenses	-	-	-	-	60,300.00	-
- Reimbursement of expenses received	-	-	2.40	2.40	3.78	1,507.09
Expenses						
- Interest expense	-	-	-	-	-	5,765.23
- Reimbursement of expenses paid/(received)	-	-	1,683.13	177.41	-	2,010.56
- Professional/consultancy charges	-	-	-	-	1,317.91	(5,765.23)
- Purchase of Fixed Assets	-	-	-	-	1,171.59	-
Compensation to key management personnel						
- Short term employee benefits	-	-	-	-	24.09	0.86
- Sitting fees	211.84	207.17	-	-	-	-
- Post employee benefits- gratuity	12.00	10.90	-	-	-	-
- Other long-term benefits- compensated absences	7.01	(0.66)	-	-	-	-
- Share based payment expenses	(3.94)	9.58	-	-	-	-
	(1,197.66)	521.08	-	-	-	-



Note - 48

Related party disclosures (continued):

(c) Balance outstanding at the end of the year:

Nature of transactions	Key management personnel		Ultimate Holding Company		Fellow subsidiaries	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(i) Loans given	-	-	-	-	-	-
(ii) Loans taken	-	-	19,415.00	19,450.00	82,231.35	38,898.20
						8,446.70

Note: Related party relationships as given above are as identified by the Group.

(d) Disclosure related to Fair value of Corporate Guarantee taken from Ultimate Holding Company as per IND As 109, "Financial Instruments":

Particulars	March 31, 2023	March 31, 2022
Deemed cost of fair value of corporate guarantee		
- Dhani Services Limited		
Total	72.16	156.97
Addition to fair value of corporate guarantee	72.16	156.97
- Dhani Services Limited		
Total	-	-
Unamortised portion of deemed cost for corporate guarantees		
- Dhani Services Limited		
Total	-	107.77
		107.77

Note (i):

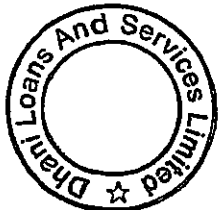
Guarantee released during the year ended March 31, 2023 amounts to ₹ 73,014.72 Lakh (31 March 2022: ₹ 57,545.28 lakh). The corporate guarantee outstanding as on 31 March 2023 is ₹ Nil lakh (31 March 2022: ₹ 73,014.72 lakh).

Note (ii):

In respect of managerial remuneration paid to a erstwhile Whole Time Director during the year ended 31 March 2023, members of the Company, at their extra-ordinary general meeting held on 24 May 2023, accorded their approval for waiver of recovery of such amount of managerial remuneration paid in excess of the limit laid down under Section 197 of the Act.

Note (iii)

In respect of Transerv Limited, remuneration paid to the Whole Time Director and the Chief Executive Officer of the Company for the year ended 31 March 2023 in excess of the limits specified under Section 197 and 198 of the Companies Act, 2013 has been approved by the members of the Company in their extra-ordinary general meeting held on 24 May 2023.



Note - 49

Financial instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value			
Investments measured at -			
Fair value through profit and loss			
Loans measured at:	Note - 11	33,142.63	53,450.15
Fair value through other comprehensive income	Note - 10	-	1,961.54
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 6	11,726.47	47,896.93
Bank balance other than cash and cash equivalents	Note - 7	5,898.49	26,602.68
Receivables -			
(i) Trade receivables	Note - 8	3,669.54	5,752.01
(ii) Other receivables	Note - 9	748.13	1,383.97
Loans	Note - 10	1,77,854.34	3,71,390.87
Other financial assets	Note - 12	29,206.14	31,740.31
Total		2,62,245.74	5,40,178.46
Financial liabilities measured at amortised cost			
Trade payables	Note - 17	1,729.61	1,791.12
Other payables	Note - 18	4,700.71	8,941.65
Debt securities (including interest accrued)	Note - 19	32,097.24	54,506.34
Borrowings (other than debt securities) (including interest accrued)	Note - 20	26,609.91	1,45,643.92
Lease liabilities	Note - 21	4,564.58	18,389.53
Other financial liabilities	Note - 22	8,986.97	29,770.35
Total		78,689.02	2,59,042.91

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual fund	532.25	-	-	532.25
Security receipts	-	32,610.38	-	32,610.38
Loans measured at fair value through other comprehensive income				
Loans	-	-	-	-

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Security Receipts	-	17,500.00	-	17,500.00
Mutual fund	35,950.15	-	-	35,950.15
Loans measured at fair value through other comprehensive income				
Loans	-	-	1,961.54	1,961.54

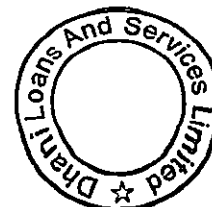
Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) the use of quoted market prices for quoted equity instruments and debt securities.

(b) for unquoted security receipts, adjusted discounted cash flow method (income approach) has been used.

(c) the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.



Note - 49

Financial instruments (continued):

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	As at 31 March 2023	As at 31 March 2022	
Loans	-	1,976.97	Estimated cash flows and discount rate

Sensitivity analysis

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Impact of change in rates on total comprehensive income statement		
- Impact due to increase of 1.0%	-	22.81
- Impact due to decrease of 1.0%	-	(22.32)

Movement of loans measured using unobservable inputs (Level 3):

Particulars	As at 31 March 2023	As at 31 March 2022
As the beginning of the year		
Add: Addition during the year	1,976.97	17,784.31
Less: Redeemed during the year	-	452.06
Add: Gain recognised in statement of profit and loss	(1,976.97)	(16,287.69)
As the end of the year	-	28.29
	-	1,976.97

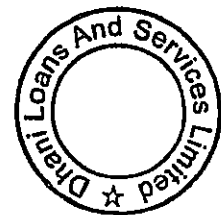
B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	11,726.47	11,726.47	47,896.93	47,896.93
Bank balance other than cash and cash equivalents	5,898.49	5,898.49	26,602.68	26,602.68
Receivables -				
(i) Trade receivables	3,669.54	3,669.54	5,752.01	5,752.01
(ii) Other receivables	748.13	748.13	1,383.97	1,383.97
Loans	1,77,854.34	1,77,854.34	3,71,390.87	3,71,390.87
Other financial assets	29,206.14	29,114.53	31,740.31	31,740.31
Total	2,29,103.11	2,29,011.50	4,84,766.77	4,84,766.77
Financial liabilities				
Trade payables	1,729.61	1,729.61	1,791.12	1,791.12
Other payables	4,700.71	4,700.71	8,941.65	8,941.65
Debt securities	32,097.24	32,161.19	54,506.34	54,506.34
Borrowings (other than debt securities)	26,609.91	26,609.91	1,45,643.92	1,45,643.92
Lease liabilities	4,564.58	4,333.37	18,389.53	18,367.48
Other financial liabilities	8,986.97	8,986.97	29,770.35	29,770.35
Total	78,689.02	78,521.76	2,59,042.91	2,59,020.86

The management assessed that fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial instruments measured at fair value and fair value of financial instruments carried at amortized cost



Note - 49

Financial instruments (continued):

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets

Note - 50

Financial risk management

i. Risk Management

As a Non-Banking Financial Company (NBFC), the Holding Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Holding Company's risk management processes is to measure and monitor the various risks that Holding Company is subject to and to follow policies and procedures to address such risks. The Holding 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. The Holding 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 the Holding Company faces in businesses are liquidity risk, credit risk and interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

In order to avoid excessive concentration of risk, the Holding Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Holding Company. The Holding Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loan assets, trade receivables and other financial assets. The Holding Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

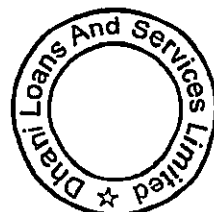
(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loans, trade receivables, security deposits and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans, trade receivables, other receivables, security deposits	Life time expected credit loss or fully provided for



Note - 50

Financial risk management (continued):

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Low credit risk		
Cash and cash equivalents		
Bank balance other than cash and cash equivalents	11,726.47	47,896.93
Trade receivables	5,898.49	26,602.68
Other receivables	3,669.54	5,752.01
Loans	748.13	1,383.97
Investments	1,71,375.75	2,18,626.82
Other financial assets	33,142.63	53,450.15
	28,514.36	31,715.87
(ii) Moderate credit risk		
Loans	5,827.89	1,35,959.33
(iii) High credit risk		
Loans		
Investments	5,842.33	55,153.13
Trade receivables	-	-
Other receivables	4,363.20	3,802.26
Other financial assets	2,837.88	2,298.78
	691.78	24.44

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade and other receivables

Credit risk related to trade and other receivables are managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortized cost

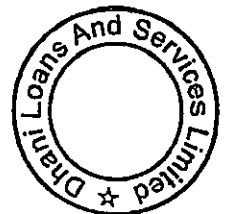
Other financial assets measured at amortized cost includes loans to employees, security deposits, interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Group closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Group
- Credit bureau check - In order to deal with the problem of over extension of credit and indebtedness of the client, the Group undertakes credit bureau checks for every client. The credit bureau check helps the Group in identifying clients with poor repayment histories and multiple loans.



Note - 50

Financial risk management (continued):

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per Industry trends	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	2. Supplemental external information that could affect the borrowers behaviour 3. Discount rate is based on internal rate of return on the loan	2. Management judgement is applied to determine the economic scenarios and the application of probability weights

* The Group has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

- b) Credit risk exposure
i) Expected credit losses for financial assets other than loans

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents			
Bank balances other than cash and cash equivalents	11,726.47	-	11,726.47
Investments	5,898.49	-	5,898.49
Trade receivables	33,142.63	-	33,142.63
Other receivables	8,032.74	(4,363.20)	3,669.54
Other financial assets	3,586.01	(2,837.88)	748.13
	29,897.92	(691.78)	29,206.14

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents			
Bank balances other than cash and cash equivalents	47,896.93	-	47,896.93
Investments	26,602.68	-	26,602.68
Trade receivables	53,450.15	-	53,450.15
Other receivables	9,554.27	(3,802.26)	5,752.01
Other financial assets	3,682.75	(2,298.78)	1,383.97
	31,764.75	(24.44)	31,740.31

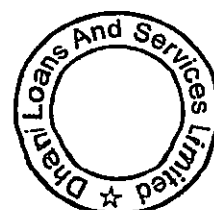
Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Other receivables	Investments	Other financial assets
Loss allowance on 01 April 2021	3,116.88	3,353.08	1,772.68	1,655.69
Impairment loss recognised during the year	6,158.24	-	-	-
Loss allowance written back	(989.95)	-	-	-
Write - offs	(4,482.91)	(1,054.30)	(1,772.68)	(1,631.25)
Loss allowance on 31 March 2022	3,802.26	2,298.78	-	-
Impairment loss recognised during the year	1,460.91	539.10	-	24.44
Loss allowance written back	(237.54)	-	-	-
Write - offs	(662.43)	-	-	667.34
Loss allowance on 31 March 2023	4,363.20	2,837.88	-	691.78

1) In respect of Indiabulls Distribution Services Limited

As aforesaid, the subsidiary company has recorded provisions for impairment due to expected credit losses on certain financial assets as at March 31, 2023 on an estimated basis, in respect of losses that may arise dependent upon future developments including inter alia, the uncertainties due to the effects of unravelling of the Covid-19 pandemic on the subsidiary company's business. There has been no material change in the controls or processes followed in the closing of these financial statements of the subsidiary company.

The expected credit loss allowance above is calculated based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making those assumptions and selecting inputs to the loss allowance calculation, based on past history, existing conditions, as well as forward looking estimates at the end of each reporting period.



Note - 50

Financial risk management (continued):

Concentration of trade receivables

The subsidiary company's outstanding receivables are on account of commission receivable from underwriting/distribution of real estate projects on behalf of developers and related services. Loans and other financial assets majorly represents loans to related parties and deposits given for business purposes.

2) In respect of Indiabulls Investment Advisors Limited

As aforesaid, the subsidiary company has recorded provisions for impairment due to expected credit losses on certain financial assets as at March 31, 2023 on an estimated basis, in respect of losses that may arise dependent upon future developments including inter alia, the uncertainties due to the effects of unravelling of the Covid-19 pandemic on the subsidiary company's business. There has been no material change in the controls or processes followed in the closing of these financial statements of the subsidiary company.

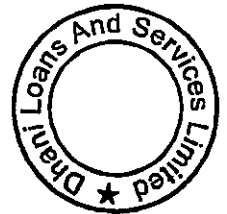
The expected credit loss allowance above is calculated based on assumptions about the risk of default and expected loss rates. The subsidiary company uses judgement in making those assumptions and selecting inputs to the loss allowance calculation, based on past history, existing conditions, as well as forward looking estimates at the end of each reporting period.

Concentration of trade receivables

The subsidiary company carries on the business of underwriting/distribution of real estate projects on behalf of developers and related consultancy services. The subsidiary company's outstanding receivables are for commission receivable from underwriting/distribution of real estate projects on behalf of developers and related services. Loans and other financial assets majorly represents loans to related parties and deposits given for business purposes.



(This space has been intentionally left blank)



Note - 50

Financial risk management (continued):

ii) Expected credit losses for loans

Definition of default:

The Holding Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, exposure at default and loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2021	3,32,406.50	77,794.67	42,701.42
Assets originated and acquired	8,51,958.04	-	-
Net transfer between stages and de-recognition	(9,65,731.37)	58,226.63	63,529.44
Assets written-off	(6.36)	(61.97)	(51,077.72)
Gross carrying amount as at 31 March 2022	2,18,626.81	1,35,959.33	55,153.14
Assets originated and acquired	1,56,723.32	-	-
Net transfer between stages and de-recognition	(2,03,969.78)	(1,30,121.59)	17,097.85
Assets written-off	(4.61)	(9.85)	(66,408.65)
Gross carrying amount as at 31 March 2023	1,71,375.74	5,827.89	5,842.34

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 01 April 2021	2,120.06	8,687.24	33,113.05
Increase of provision due to assets originated and purchased during the year	9,617.22	-	-
Net transfer between stages and written back	(9,863.62)	3,390.23	32,456.02
Loss allowance Utilised	(0.10)	(6.20)	(43,127.03)
Loss allowance on 31 March 2022	1,873.56	12,071.27	22,442.04
Increase of provision due to assets originated and purchased during the year	845.91	-	-
Net transfer between stages and written back	(2,173.77)	(11,561.37)	(51,779.83)
Created through Securities Premium Account (Refer Note 27)	-	-	97,500.00
Loss allowance Utilised	(0.07)	(0.98)	(64,025.13)
Loss allowance on 31 March 2023	545.63	508.92	4,137.08

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2023	As at 31 March 2022
Retail borrowers	91,248.57	3,14,584.40
Borrowers other than retail borrowers	91,797.40	95,154.88
Total	1,83,045.97	4,09,739.28

Loans secured against collateral

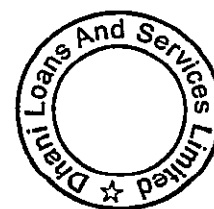
Group's secured portfolio has security base as follows::

Particulars	Value of loans	
	As at 31 March 2023	As at 31 March 2022
Secured by tangible assets*	-	-
Secured by other assets	26,352.94	44,132.45

* Equitable mortgage of property / hypothecation of assets

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.



Note - 50

Financial risk management (continued):

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

i) Financing arrangements

The Group had access to the following funding facilities:

As at 31 March 2023			
	Total facility	Drawn	Undrawn
- Expiring within one year	1,270.00	900.00	370.00
- Expiring beyond one year	-	-	-
Total	1,270.00	900.00	370.00

As at 31 March 2022			
	Total facility	Drawn	Undrawn
- Expiring within one year	25,450.00	15,000.00	10,450.00
- Expiring beyond one year	-	-	-
Total	25,450.00	15,000.00	10,450.00

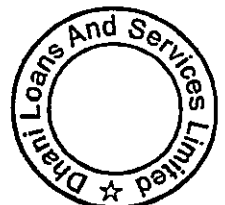
ii) Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2023				
	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Debt securities				
Borrowings (other than debt securities)	17,133.07	17,408.16	-	34,541.23
Trade payables	22,645.54	3,880.14	2,743.29	29,268.97
Other payables	1,729.61	-	-	1,729.61
Lease liabilities	4,671.16	-	-	4,671.16
Other financial liabilities	1,378.82	1,986.57	2,786.63	6,152.02
Derivatives (net settled)	8,645.29	-	-	8,645.29
Index linked derivatives	-	-	-	-
Total undiscounted financial liabilities	56,203.49	23,274.87	5,529.92	85,008.28

As at 31 March 2022				
	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Debt securities				
Borrowings (other than debt securities)	26,157.60	23,056.21	-	49,213.81
Trade payables	48,467.94	9,464.34	96,288.23	1,54,220.51
Other payables	1,791.10	-	-	1,791.10
Lease liabilities	8,941.65	-	-	8,941.65
Other financial liabilities	4,471.78	7,922.72	12,828.19	25,222.69
Derivatives (net settled)	29,770.33	-	-	29,770.33
Index linked derivatives	-	-	-	-
Total undiscounted financial liabilities	1,19,600.40	40,443.27	1,09,116.42	2,69,160.09



Note - 50

Financial risk management (continued):

C) Market risk

a) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2022, the Group is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate liabilities		
Debt securities	-	-
Borrowings (other than debt securities)	6,294.91	91,915.64
Fixed rate liabilities		
Debt securities	31,342.88	53,914.70
Borrowings (other than debt securities)	20,315.00	65,172.24

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest sensitivity on borrowings (other than debt securities)*		
Interest rates - increase by 0.50%	31.47	459.58
Interest rates - decrease by 0.50%	(31.47)	(459.58)

* Holding all other variables constant

ii) Assets

The Group's term deposits and commercial paper/deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

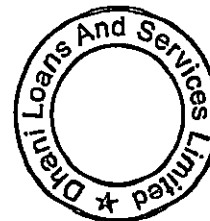
ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's profit for the period:

Below is the sensitivity of Profit or Loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Mutual funds*		
Net assets value - increase by 5%	26.61	1,797.51
Net assets value - decrease by 5%	(26.61)	(1,797.51)
Quoted debt securities		
Market price - increase by 5%	-	-
Market price - decrease by 5%	-	-

*Holding all other variables constant



Note - 51

Capital Management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2023	As at 31 March 2022
Debt securities (including interest accrued)	32,097.24	54,506.34
Borrowings (other than debt securities) (including interest accrued)	26,609.91	1,45,643.92
Total debt	58,707.15	2,00,150.26
Equity attributable to the owners of the Holding Company	2,88,252.38	3,82,247.34
Net debt to equity ratio	0.20	0.52

Note - 52

Transferred financial assets

A) Securitisation

In the course of its finance activity, the Group makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Group has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Group is exposed to first loss default guarantee and cash collateral at 13.30% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liabilities.

The table below outlines the carrying amounts and fair values of financial assets transferred that are not derecognised in their entirety and their associated liabilities:

Securitisations	As at 31 March 2023	As at 31 March 2022
Gross carrying amount of securitised assets	8,165.96	-
Gross carrying amount of associated liabilities	6,294.91	-
Carrying value and fair value of securitised assets	8,126.00	-
Carrying value and fair value of associated liabilities	6,294.91	-
Net position	1,831.09	-

The carrying amount of above assets and liabilities is a reasonable approximation of their respective fair values.

B) Assignment

During the year ended March 31, 2022, the Group has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Group.

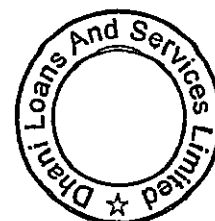
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amount of de-recognised financial asset	-	12,684.73
Gain on sale of the de-recognised financial asset	-	124.18

Since the Group has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.



(This space has been intentionally left blank)



Note - 53

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

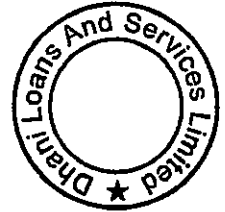
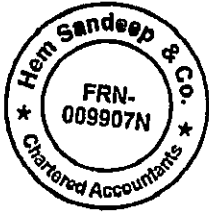
	As at 31 March 2023		As at 31 March 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	11,726.47	-	47,896.93	-
Bank balance other than cash and cash equivalents	5,898.49	-	26,290.58	312.10
Receivables				
Trade receivables	937.75	2,731.79	2,576.71	3,175.30
Other receivables	748.13	-	1,383.97	-
Loans	92,646.47	85,207.87	1,62,909.63	2,10,442.78
Investments	10,334.96	22,807.67	52,717.14	733.01
Other financial assets	25,088.69	4,117.45	27,272.37	4,467.94
	1,47,380.96	1,14,864.78	3,21,047.33	2,19,131.13
Non-financial assets				
Inventories	120.23	-	120.23	-
Current tax assets (net)	17,966.70	91.07	18,003.70	12.08
Deferred tax assets (net)	-	51,752.74	-	19,758.62
Property, plant and equipment	-	5,707.68	-	8,499.41
Right-of-use assets	1,020.19	2,953.76	-	17,032.76
Intangible assets under development	-	317.19	-	462.18
Goodwill	-	6,482.97	-	6,482.97
Other intangible assets	-	4,120.70	-	6,510.31
Other non-financial assets	6,925.55	16,938.28	29,206.18	5,974.67
	26,032.67	88,364.39	47,330.11	64,733.00
TOTAL ASSETS (A)	1,73,413.63	2,03,229.17	3,68,377.44	2,83,864.13
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	0.12	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,729.61	-	1,791.00	-
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	4,700.71	-	8,941.65	-
Debt securities	15,523.26	16,573.98	32,856.00	21,650.34
Borrowings (other than debt securities)	21,301.13	5,308.78	1,18,966.14	26,677.78
Lease liabilities	935.40	3,629.18	18,389.53	-
Other financial liabilities	8,986.97	-	29,770.35	-
	53,177.08	25,511.94	2,10,714.79	48,328.12
Non-financial Liabilities				
Current tax liabilities (net)	172.36	-	-	-
Provisions	105.40	1,804.87	213.01	1,527.23
Other non-financial liabilities	1,243.09	-	2,846.87	-
	1,520.85	1,804.87	3,059.88	1,527.23
TOTAL LIABILITIES (B)	54,697.93	27,316.81	2,13,774.67	49,855.35
NET (A-B)	1,18,715.70	1,75,912.36	1,54,602.77	2,34,008.78



Note - 54

In respect of Indiabulls Distribution Services Limited - As at March 31, 2022 the financial assets of the subsidiary company constitute more than fifty percent of its total assets (netted off by intangible assets) and income from financial assets constitutes more than fifty percent of the gross income of the subsidiary company for the year ended March 31, 2022. The management of the subsidiary company is of the view that the deployment of funds in certain financial assets in the nature of loans given by the subsidiary company does not represent the principal business activities of the subsidiary company. Given the short term nature of deployment of idle / surplus funds in such financial assets and the income earned thereon, management is of the view that the requirements to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934 as a non-banking financial company, are not applicable to the subsidiary company.

(This space has been intentionally left blank)

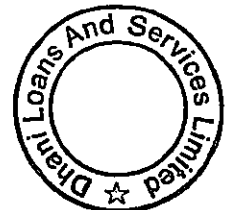


Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 55

(i) Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the entity	As at 31 March 2023							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Dhani Loans and Services Limited	74.73%	2,20,185.57	90.23%	(15,378.98)	100.52%	706.32	89.78%	(14,672.66)
Subsidiaries (Indian)								
Indiabulls Investment Advisors Limited	7.99%	23,531.50	5.32%	(906.55)	0.34%	2.37	5.53%	(904.19)
Indiabulls Distribution Services Limited	18.77%	55,305.86	(14.63%)	2,493.38	0.00%	-	(15.26%)	2,493.38
Indiabulls Alternate Investments Limited	(2.04%)	(6,005.65)	0.00%	(0.43)	0.00%	-	0.00%	(0.43)
Transerv Limited	(1.62%)	(4,764.90)	19.15%	(3,263.87)	(0.86%)	(6.03)	20.01%	(3,269.89)
Non Controlling interest in all subsidiaries	2.16%	6,375.68	(0.07%)	11.47	0.00%	-	(0.07%)	11.47
Total	100.00%	2,94,628.06	100.00%	(17,044.98)	100.00%	702.66	100.00%	(16,342.32)
Name of the entity	As at 31 March 2022							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Dhani Loans and Services Limited	79.96%	3,10,716.07	84.92%	(20,011.48)	93.85%	(377.18)	85.07%	(20,388.67)
Subsidiaries (Indian)								
Indiabulls Investment Advisors Limited	2.78%	10,812.86	19.13%	(4,507.39)	3.56%	(14.30)	18.87%	(4,521.68)
Indiabulls Distribution Services Limited	15.47%	60,102.37	(2.75%)	647.96	0.00%	-	(2.70%)	647.96
Indiabulls Alternate Investments Limited	0.35%	1,346.64	0.07%	(16.96)	0.00%	-	0.07%	(16.96)
Transerv Limited	(0.19%)	(730.60)	(2.00%)	471.40	2.59%	(10.42)	(1.92%)	460.98
Non Controlling interest in all subsidiaries	1.64%	6,364.21	0.63%	(147.76)	0.00%	-	0.62%	(147.76)
Total	100.00%	3,88,611.55	100.00%	(23,564.23)	100.00%	(401.90)	100.00%	(23,966.13)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

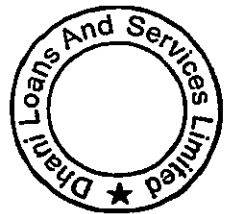
Note - 55

(ii) Group information

Information about subsidiary companies

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2023	As at 31 March 2022
Indiabulls Investment Advisors Limited	India	100.00%	100.00%
Indiabulls Distribution Services Limited	India	86.04%	86.04%
Indiabulls Alternate Investments Limited (wholly owned subsidiary of Indiabulls Distribution Services Limited)	India	86.04%	86.04%
Transerv Limited	India	100.00%	100.00%

(This space has been intentionally left blank)



Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 56

As at 31 March 2023, there were no dues required to be credited to the Investor Education and Protection Fund under Section 124(5) of the Act. (31 March 2022: ₹ Nil).

Note - 57

i) The Group has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Group has not advanced or loaned or invested any funds from any person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Note - 58

There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period, by the Group during the year ended March 31, 2023.

Note - 59

The Group did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Note - 60

The Group has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2023.

Note - 61

The Group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023.

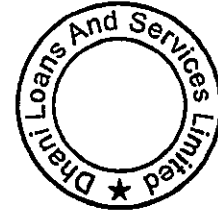
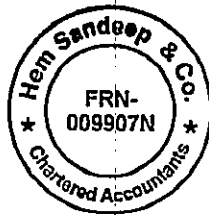
Note - 62

The Group has not been declared a wilful defaulter by any bank or financial institution or other lender during the year.

Note - 63

There are no borrowing costs to be capitalised as at 31 March 2023 (31 March 2022: Rs. Nil).

(This space has been intentionally left blank)



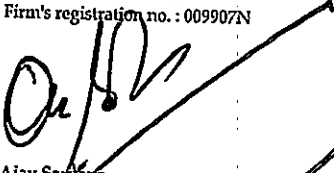
Dhani Loans and Services Limited Group
Notes to Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 64

Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.


In terms of our report of even date attached.


For Hem Sandeep & Co.
Chartered Accountants
Firm's registration no. : 009907N



Ajay Sarbani
Partner
Membership No.: 089011

Place: New Delhi
Date: 26 May 2023

For and on behalf of the Board of Directors


Sanjeev Kashyap
Whole Time Director &
Chief Executive Officer
DIN: 03405178


Akshay Kumar Tiwary
Director
DIN: 00366348


Rajesh Lochan Agrawal
Chief Financial Officer


Manish Rustagi
Company Secretary

Place: Gurugram
Date: 26 May 2023

