

Deutsche Investments India Private Limited

Financial statements together with the Auditors' Report for the year ended
March 31, 2021

Deutsche Investments India Private Limited

Financial statements together with Auditors' Report

For the year ended March 31, 2021

<i>Contents</i>	<i>Page</i>
Independent Auditors' report	1-10
Balance Sheet	11
Statement of Profit and Loss	12
Statement of Changes in Equity	13
Statement of Cash Flow	14
Notes to the financial statements	14-59

INDEPENDENT AUDITOR'S REPORT

To the Members of Deutsche Investment India Private Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 32.38 to the accompanying standalone financial statements, which describes the uncertainties associated due to the outbreak of Coronavirus (COVID-19). The Impact on the Company's operations and financial metrics is dependent on the future developments which are highly uncertain.

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 financial statements for the financial year ended March 31, 2021. 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (Loans and Investments) including provision for expected credit losses): (Refer notes 3.1 to accounts of the financial statements and note 6 & 7 of the notes to the financial statements)	
<p>Loans and Investment amount to Rs.23,128.95 million (net of expected credit loss) at March 31, 2021 as disclosed in the Ind AS financial statements.</p> <p>Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortised cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. In the process of applying such principles and other requirements of the standard, a significant degree of judgement has been applied by the management in respect of following matters:</p> <ol style="list-style-type: none"> Determining the staging of loans. Determining probability of default (PD) using history of default for long term rated loans by leading credit rating agencies and considering the impact of macroeconomic factors. Estimation of management overlay to determines the forecasted PD Estimation of loss given default (LGD) based on haircuts and recovery percentages as suggested in Basel regulations <p>Further, in light of the business disruption caused due to COVID-19, the management has done an assessment of the impact on the ECL on the abovementioned financial assets. The management using certain assumptions and estimates, applied management overlays to arrive at a probable impact on COVID-19 on the ECL provision. These assumptions and estimates used have an inherent uncertainty of the actual impact of COVID-19 and the actual impact may be different from these estimates.</p> <p>Given the complexity and significant judgement and the uncertainty of impact of COVID-19 involved in the estimation of expected credit losses on loans and investments, we have considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> - Our audit procedures included considering the Company's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. - We understood the ECL estimation process and tested the design and operating effectiveness of key controls around data extraction and validation. - We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. - We tested the assumptions used by the Company along with testing of inputs for staging of loan portfolio and default buckets for determining the PD and LGD rates. - We have checked the completeness and accuracy of the source data used and tested the reasonableness of the key assumptions used along with appropriateness of collateral values. <p>Performed inquiries with the Company's management and its risk management function to assess the impact of Covid-19 on the business activities of the Company and its loan and investment portfolio.</p> <ul style="list-style-type: none"> - Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) and assessed the reasonableness thereof. - We tested the arithmetical accuracy of the computation of ECL provision performed by the Company in spreadsheets. - We assessed the disclosures included in the financial statements with respect to the ECL estimate in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.

Information Other than the 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 Annual report (which includes the Director's report), but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 for the financial year ended March 31, 2021 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 Matter

The financial statements of the Company for the year ended March 31, 2020, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on June 24, 2020.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

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- (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of Section 197 read with Schedule V of the Act are applicable only to public companies. Accordingly, reporting under section 197 of the Act is not applicable to the Company;
- (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 32.6 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Sarvesh Warty
Partner
Membership No.: 121411
UDIN: 21121411AAAAFP3060
Place: Mumbai
Date: June 22, 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of this clause are not applicable to the Company. The Company is registered as a Non-Banking Financial Company with the RBI. Thus, the provision of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of investment companies as mentioned in sub-section (1) of section 186 of the Act.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to state insurance, service tax, sales-tax, duty of custom, duty of excise, value added tax, are not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax on account of any dispute, are as follows: (Rs. in millions)

Name of the statute	Nature of the dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	10.53	Nil #	AY 08-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	322.11	66.47*	AY 10-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	101.66	41.69	AY 11-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	13.95	Nil^	AY 12-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	121.32	18.25	AY 13-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	37.93	2.55	AY 14-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	16.33	3.26	AY 16-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	17.09	0.33	AY 17-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	20.44	3.93	AY 18-19	Commissioner of Income Tax (Appeals)

* In addition, demand of Rs 2.90 million adjusted against the pending refunds

In addition, demand of Rs 3.96 million adjusted against the pending refunds

^ In addition, demand of Rs 1.56 million adjusted against the pending refunds

According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, service tax, sales-tax, duty of custom, duty of excise, value added tax which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of debt instruments in the nature of Non-Convertible Debentures for the purposes for which they were raised. According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer or further public offer
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon

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- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 21121411AAAAFP3060

Place: Mumbai

Date: June 22, 2021

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEUTSCHE INVESTMENTS INDIA PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

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

per Sarvesh Warty
Partner
Membership No.: 121411
UDIN: 21121411AAAAFP3060
Place: Mumbai
Date: June 22, 2021

Deutsche Investments India Private Limited

Balance Sheet

As at March 31, 2021

(Currency: Indian Rupees in Millions)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
I.	Financial Assets			
	(a) Cash and cash equivalents	4	173.48	41.52
	(b) Receivables			
	(I) Trade receivables	5	15.47	10.03
	(c) Loans	6	21,650.76	13,996.20
	(d) Investments	7	1,478.20	2,152.45
	(e) Other financial assets	8	26.16	16.34
	Total Financial Assets		23,344.07	16,216.53
II.	Non-Financial Assets			
	(a) Current tax assets (Net)	9	273.09	313.66
	(b) Deferred tax assets (Net)	32.5	176.21	97.55
	(c) Property, plant and equipment	10	1.44	0.66
	(d) Intangible assets	11	-	-
	(e) Other non financial assets	12	1.63	0.88
	Total Non-Financial Assets		452.37	412.76
	Total Assets		23,796.44	16,629.29
	LIABILITIES AND EQUITY			
	LIABILITIES			
I.	Financial Liabilities			
	(a) Payables			
	(I) Trade payables	13		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		107.20	73.01
	(II) Other payables	14		
	(i) total outstanding dues of micro enterprises and small enterprises		0.51	0.33
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.31	5.58
	(b) Debt securities	15	11,094.76	6,892.75
	(c) Borrowings (other than debt securities)	16	6.60	-
	(d) Inter-corporate deposits	17	3,062.40	-
	(e) Other financial liabilities	18	401.84	445.05
	Total Financial Liabilities		14,677.62	7,416.72
II.	Non-Financial Liabilities			
	(a) Current tax liabilities (Net)	19	5.17	9.86
	(b) Provisions	20	3.00	3.01
	(c) Other non-financial liabilities	21	2.53	7.75
	Total Non-financial Liabilities		10.70	20.62
III.	EQUITY			
	(a) Equity share capital	22	528.85	528.85
	(b) Other equity		8,579.27	8,663.10
	Total equity		9,108.12	9,191.95
	Total Liabilities and Equity		23,796.44	16,629.29

Significant accounting policies and notes to the financial statements

2 - 32

The accompanying notes form an integral part of these financial statements

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number:101049W/E300004

For Deutsche Investments India Private Limited

per Sarvesh Warty

Partner

Membership No: 121411

Atin Kumar Saha

Director

DIN:06901962

Sumit Gupta

Director

DIN:08532330

Sushil Bang

Company Secretary

ACS:A17943

Place: Mumbai

Date: June 22, 2021

Deutsche Investments India Private Limited

Statement of Profit and Loss

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Revenues from operations			
(a) Interest income	23	1,296.29	1,985.80
(b) Revenue from contracts with customers	25	47.51	40.81
Total revenues from operations		1,343.80	2,026.61
II. Other income	26	(2.25)	(9.03)
III. Total income		1,341.55	2,017.58
Expenses			
(a) Finance costs	31	463.10	1,019.14
(b) Fees and commission expense	27	25.51	24.65
(c) Net loss on fair value changes	24	148.04	119.20
(d) Employee benefits expense	28	121.10	102.26
(e) Depreciation, amortization and impairment	11.1	0.27	0.14
(f) Other expenses	29	147.16	187.94
(g) Impairment on financial instruments	30	94.15	(20.26)
IV. Total expenses		999.33	1,433.07
V. Profit / (loss) before tax		342.22	584.51
VI. Tax expenses			
(a) Current tax		168.80	156.03
(b) Deferred tax		(77.41)	7.14
		91.39	163.17
VII Profit / (loss) for the year		250.83	421.34
VIII. Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefits		(0.05)	(0.37)
(b) Income tax relating to items that will not be reclassified to profit or loss		0.01	0.09
(c) Items that will be reclassified to profit or loss			
- Changes in fair value of debt instruments measured at FVOCI		(5.32)	2.74
(d) Income tax relating to items that will be reclassified to profit or loss		1.23	(0.69)
Total other comprehensive income		(4.13)	1.77
IX. Total comprehensive income for the year		246.70	423.11
X. Earnings per equity share (face value Rs.10 per share and weighted average number of shares are 52,885,000):			
Basic & diluted (Rupees)	32.4	4.74	7.97

Significant accounting policies and notes to the financial statements

2 - 32

The accompanying notes form an integral part of these financial statements

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

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

Chartered Accountants

ICAI Firm registration number:101049W/E300004

For **Deutsche Investments India Private Limited**

per **Sarvesh Warty**

Partner

Membership No: 121411

Atin Kumar Saha

Director

DIN:06901962

Sumit Gupta

Director

DIN:08532330

Sushil Bang

Company Secretary

ACS:A17943

Place: Mumbai

Date: June 22, 2021

Deutsche Investments India Private Limited

Statement of Changes in Equity

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

Particulars	Equity share capital	Reserves and surplus				Debt instruments through other comprehensive income	Total Other Equity	Total Equity
		Statutory Reserve (i)	Retained earnings	Securities premium (ii)	Impairment Reserve (iii)			
Balance as of April 1, 2019	528.85	997.76	284.05	7,195.80	-	0.83	8,478.44	9,007.29
Issued during the year	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(0.28)	-	-	2.05	1.77	1.77
Transfer to retained earnings	-	-	421.34	-	-	-	421.34	421.34
Transfer to statutory reserve under section 45IC of the RBI Act, 1934	-	84.27	(84.27)	-	-	-	-	-
Impairment Reserve	-	-	(50.52)	-	50.52	-	-	-
Transactions with owners in their capacity as owners:								
Interim Equity Dividend Paid (iv)	-	-	(197.79)	-	-	-	(197.79)	(197.79)
Tax paid on Interim Equity Dividend (iv)	-	-	(40.66)	-	-	-	(40.66)	(40.66)
Balance as of March 31, 2020	528.85	1,082.03	331.87	7,195.80	50.52	2.88	8,663.10	9,191.95

Particulars	Equity share capital	Reserves and surplus				Debt instruments through other comprehensive income	Total Other Equity	Total Equity
		Statutory Reserve (i)	Retained earnings	Securities premium (ii)	Impairment Reserve (iii)			
Balance as of April 1, 2020	528.85	1,082.03	331.87	7,195.80	50.52	2.88	8,663.10	9,191.95
Issued during the year	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(0.04)	-	-	(4.09)	(4.13)	(4.13)
Transfer to retained earnings	-	-	250.83	-	-	-	250.83	250.83
Transfer to statutory reserve under section 45IC of the RBI Act, 1934	-	50.17	(50.17)	-	-	-	-	-
Impairment Reserve	-	-	(27.58)	-	27.58	-	-	-
Transactions with owners in their capacity as owners:								
Interim Equity Dividend Paid (iv)	-	-	(330.53)	-	-	-	(330.53)	(330.53)
Balance as of March 31, 2021	528.85	1,132.20	174.38	7,195.80	78.10	(1.21)	8,579.27	9,108.12

- (i) It represents reserve created under section 45IC of the RBI Act, whereby every Non Banking Financial Company (NBFC) is required to transfer a sum of not less than 20% of its net profit after tax as disclosed in the Statement of Profit and Loss before any dividend is declared.
- (ii) The Company can utilise it as per Companies Act 2013.
- (iii) It represents reserve created as per RBI circular dtd. March 13, 2020, ref. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, whereby every NBFC is required to create Impairment Reserve when impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (including standard asset provisioning). The said difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. Withdrawals from Impairment Reserve are subject to prior permission from the Department of Supervision, Reserve Bank of India.
- (iv) The Company has paid Interim Equity Dividend of Rs. 6.25 (Previous year Rs. 3.74) per share. This has resulted in cash outflow of Rs. 330.53 (Previous year Rs. 238.45 including Dividend Distribution Tax of Rs. 40.66).

The accompanying notes form an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

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

For **Deutsche Investments India Private Limited**

per **Sarvesh Warty**
Partner
Membership No: 121411

Atin Kumar Saha
Director
DIN:06901962

Sumit Gupta
Director
DIN:08532330

Sushil Bang
Company Secretary
ACS:A17943

Place: Mumbai
Date: June 22, 2021

Deutsche Investments India Private Limited

Statement of Cash Flow

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash Flow from operating activities		
Net Profit before tax	342.22	584.51
<u>Adjustments for:</u>		
Depreciation and amortization expenses	0.27	0.14
Interest income on bank deposits	(0.74)	(22.53)
Net unrealised (gain) / loss on foreign currency translation	(3.58)	(9.67)
Net (gain) / loss on fair value changes	148.04	119.20
Impairment on financial instruments	94.15	(20.26)
Interest income	(1,293.38)	(1,962.83)
Interest expenses	463.10	1,018.49
Operating profit before working capital changes	(249.92)	(292.95)
<u>Adjustments for:</u>		
Decrease / (increase) in loans	(7,666.78)	1,571.84
Decrease/ (increase) in investments	9.00	756.00
Decrease/ (increase) in receivables	(5.45)	(1.66)
Decrease / (increase) in other financial assets	(9.82)	1.26
Decrease / (increase) in other non financial assets	(0.75)	0.40
Increase / (decrease) in trade payables	37.77	42.97
Increase / (decrease) in other payables	(1.09)	3.05
Increase / (decrease) in other financial liabilities	(45.57)	447.90
Increase / (decrease) in provisions	(0.06)	1.93
Cash generated / (used in) from operations	(7,932.67)	2,530.74
Interest income received	1,205.43	1,919.50
Interest expenses paid	(420.20)	(1,016.14)
Income taxes paid (includes tax deducted at source)	(132.92)	(193.32)
Net cash flow from / (used in) operating activities	(7,280.36)	3,240.78
B Cash flow from investing activities		
Purchase of investments	(482.58)	(943.20)
Proceeds from sale of investments	1,000.00	1,000.00
Interest income of bank deposit	0.74	22.54
Purchase of property, plant and equipment	(1.05)	(0.74)
Net cash flow from / (used in) investing activities	517.11	78.60
C Cash flow from financing activities		
Proceeds from / (Repayment of) Debt Securities (net)	4,219.14	(3,297.57)
Proceeds from / (Repayment of) borrowing other than Debt Securities (net)	6.60	-
Proceeds from / (Repayment of) Inter-corporate Deposit (net)	3,000.00	-
Interim dividend paid	(330.53)	(197.79)
Tax paid on interim dividend	-	(40.66)
Net cash flow from / (used in) financing activities	6,895.21	(3,536.02)
Net increase / (decrease) in cash and cash equivalents	131.96	(216.64)
	131.96	(216.64)
Cash and cash equivalents as at beginning of the year (refer note 4)	41.52	258.16
Cash and cash equivalents as at end of the year (refer note 4)	173.48	41.52

Notes to Statement of Cash Flow:

- Cash and cash equivalents includes the following:
 - Balance in current accounts
 - Bank deposit with original maturity of 3 months or less
- The above Statement of cash flow has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7 - Statement of cash flows prescribed by Companies (Indian Accounting Standard) Rules, 2015.
- Figures in bracket indicate cash outflow.
- Change in liabilities arising from financing activities

Particulars	April 1, 2020	Net Cash flows	Non-cash changes*	March 31, 2021
Commercial paper	6,892.75	4,132.16	69.85	11,094.76
Particulars	April 1, 2019	Net Cash flows	Non-cash changes*	March 31, 2020
Commercial paper	10,190.32	(3,384.55)	86.98	6,892.75

* Non-cash changes includes the effect of recording financial liability at amortized cost.

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

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

Chartered Accountants

ICAI Firm registration number:101049W/E300004

For **Deutsche Investments India Private Limited**

per Sarvesh Warty

Partner

Membership No: 121411

Place: Mumbai

Date: June 22, 2021

Atin Kumar Saha

Director

DIN:06901962

Sumit Gupta

Director

DIN:08532330

Sushil Bang

Company Secretary

ACS:A17943

Deutsche Investments India Private Limited

Notes to financial statements

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

1 Background

Deutsche Investments India Private Limited ('DIPL' or 'the Company') was incorporated on May 24, 2005 as a private limited company under the Companies Act, 1956.

The Company has been issued a registration certificate no. N-13.01875 dated August 2, 2007 by the Reserve Bank of India ('RBI') to operate as a Non-Banking Financial Company - Investment and Credit Company ('NBFC-ICC').

The Company has also been granted a certificate of registration no. INP000002825 as "Portfolio Manager" by Securities Exchange Board of India ('SEBI').

During the previous year, the Commercial Papers issued by the Company (post October 22, 2019) were listed vide SEBI Circular No. : SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019.

The principal shareholder of the Company is Deutsche Asia Pacific Holdings Pte Limited (80.95%), a private limited company incorporated in Singapore and the balance (19.05%) is held by Deutsche India Holdings Private Limited, a private limited company incorporated in India.

2 Significant accounting policies

2.1 (a) Basis of preparation of financial statements

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rule, 2015], other relevant provisions of the Act and guidelines along with circulars issued by the RBI from time to time.

Statement of compliance

The Ind AS compliant financials statements have been prepared in the format prescribed by Division III of Companies (Indian Accounting Standards) Rule, 2015 - Financial Statements for a Non-Banking Financial Company (NBFC) vide notification dated October 11, 2018.

Historical cost convention

These financial statements have been prepared on the historical cost basis except for the following material assets and liabilities:

- (i) Certain financial assets and liabilities measured at fair value;
- (ii) Defined benefit obligations measured in accordance with Ind AS 19

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 (b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, there is an unconditional legally enforceable right to offset.

2.2 Use of estimates

The preparation of the financial statements is in conformity with Ind AS, which require the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, revenues, expenses and disclosure of contingent liabilities on the date of financial statements. The estimates, judgements and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates used in preparing the accompanying financial statements. Adjustments, if any, are recognised prospectively.

The areas involving critical estimates or judgments are:

Note 2.4 & 2.5 - Useful life of Tangible / Intangible assets

Note 2.11.2 - Subsequent measurement of financial instrument

Note 2.13 - Expected credit loss

Note 32.1 - Measurement of defined benefit obligations: key actuarial assumptions

Note 32.5 - Provision for tax payable and current tax

Note 32.5 - Recognition of deferred tax assets / liabilities

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (Continued)

2.3 Revenue recognition

(i) Interest and similar income

- Interest income on Financial Assets measured at Amortised cost is recognised using Effective Interest Method.
- Interest income for financial assets measured at amortised cost which are at stage3 is calculated by applying the EIR to net carrying amount. (i.e., the gross carrying amount less the credit loss allowance).
- Interest income on all trading assets and financial assets measured at fair value through profit and loss / fair value through other comprehensive income is recognised using the contractual interest rate. Accretion of discount is recognised as interest income over the life of the discounted instruments.
- Dividend income is recognised when the right to receive dividend is established.
- Profit/loss on sale of investments is recognised on trade date basis.

(ii) Commission and fee income

The company applies Indian accounting standard 115, "Revenue from Contracts with Customers" five-step revenue recognition model to the recognition of Commissions and Fee Income, under which income must be recognized when control of goods and services is transferred, hence the contractual performance obligations to the customer has been satisfied.

Accordingly, after a contract with a customer has been identified in the first step, the second step is to identify the performance obligation – or a series of distinct performance obligations – provided to the customer. The Company must examine whether the service is capable of being distinct and is actually distinct within the context of the contract. A promised service is distinct if the customer can benefit from the service either on its own or together with other resources that are readily available to the customer, and the promise to transfer the service to the customer is separately identifiable from other promises in the contract. The amount of income is measured on the basis of the contractually agreed transaction price for the performance obligation defined in the contract. If a contract includes variable consideration, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. Income is recognized in profit and loss when the identified performance obligation has been satisfied.

The Fee Income on Portfolio management services is predominantly earned from services that are received and consumed by the customer over time.

2.4 Property, plant and equipment, depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment in value. The historical cost of Property, plant and equipment comprise of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. In line with requirement of Accounting Standard estimated present value of the dismantling /restoration cost, where likely, are considered are part of the property, plant and equipment.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Class of asset	Useful Life
Office equipment	5 Years
Furniture and fixtures	10 Years
Computer (hardware) servers and networks*	4 Years
Computer (hardware) end user devices*	4 Years

* Useful life is different than Schedule II. The Company believes that the rates determined above based on useful lives best represent the period over which the company expects to use these assets.

The company believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Schedule II of the Companies Act, 2013.

Leasehold improvements are depreciated over the residual period of the lease or over a period of 10 years or over the useful life of the leased assets, whichever is shorter.

Depreciation for the entire month is charged in the month of sale if the asset is sold after 15th day of the month.

Depreciation is not provided for the month of sale if the asset is sold on or before 15th of the month.

Depreciation for the entire month is charged in the month in which the asset is purchased.

Property, Plant and Equipment individually costing up to Rs. 0.03 are fully charged in the Statement of Profit and Loss. However, such assets are capitalised when it forms a part of a project / expansion.

Deutsche Investments India Private Limited

Notes to financial statements (*Continued*)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (*Continued*)

2.5 Intangible assets - computer software

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets that are externally purchased are amortised over period of 3 years. Intangibles which are developed in house are amortised over period of 3 years from the date they are put to use.

Intangible assets individually costing up to Rs. 0.03 are fully charged in the Statement of Profit and Loss.

2.6 Foreign currency transactions

(i) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR) which is the Company's Functional and Presentation Currency.

(ii) Transactions and translations

Foreign currency transactions are recorded in the functional currency using the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

2.7 Employee Benefits

(i) Short term

Provident fund

Provident fund benefit is classified as a defined contribution plan, which is a post – employment benefit plan under which the entity contributes 12% of basic salary as employer's contribution towards Provident Fund maintained with Employees Provident Fund Organisation. The Company's contribution is recognised as an expense and charged to Statement of Profit and Loss during the period in which the employee renders the related service.

Other benefits

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the financial year are treated as short term benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(ii) Long term

Long service awards

Provision for long service awards are made based on independent actuarial valuation conducted by a qualified actuary at year-end. Effective October 01, 2019 Company has discontinued the long service awards.

Deutsche Investments India Private Limited

Notes to financial statements (*Continued*)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (*Continued*)

2.7 Staff benefits (*continued*)

(iii) Post employment

Gratuity

The Company pays gratuity to employees as per provisions of the Payment of Gratuity Act, 1972. Gratuity Scheme is treated as defined benefit plan and provision for gratuity expenses are made based on independent actuarial valuation conducted by a qualified actuary at year-end. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income and presented in equity.

2.8 Taxation

Income tax expense comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the year.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The Company has re-measured its net deferred tax assets basis the rate prescribed as per the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which also prohibits the utilization of carried forward Minimum Alternate Tax (MAT) credit from earlier years. The company does not have any MAT credit from earlier years.

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

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

Deutsche Investments India Private Limited

Notes to financial statements (*Continued*)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (*Continued*)

2.9 Leases

The Company enters into lease contracts, predominantly for land and buildings, as a lessee.

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

The Company applies a single recognition and measurement approach for all leases with a term of more than 12 months, unless the underlying asset is of low value. As a lessee, at the lease commencement date, the Company recognizes a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The lease liability is measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

Short term leases are exempt from recognition requirements as per Ind AS 116, accordingly lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.10 Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. Provisions are determined using best estimates and without discounting the future cash flow as Company expects the settlement to be done within a period of one year immediately following the balance sheet date.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

2.11 Financial instruments and Investments

2.11.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets are classified based on both the business model used for managing the financial assets and the contractual cash flow characteristics of the financial asset (known as Solely Payments of Principal and Interest or "SPPI"). The assessment of business model requires judgment based on facts and circumstances at the date of the adoption of Ind AS 109 and upon initial recognition. As part of this assessment, DIPL considers factors such as the expected frequency and volume of sales of the assets, how the performance of the underlying business and the financial assets held within that business are evaluated and reported to the management. Business models also take into consideration the risks that affect the performance of the business model and the financial assets held within that business model, in particular, the way in which those market and credit risks are managed.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (Continued)

2.11 Financial instruments and Investments (Continued)

2.11.2 Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income ('FVOCI')

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values are disclosed. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments, which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial asset at fair value through Statement of Profit or Loss ('FVPL')

A financial asset, which is not classified in any of the above categories, is subsequently fair valued through Statement of Profit or Loss.

The carrying amounts of Trade receivables, Trade payables, deposits (other than security deposits placed with Landlord), other receivables, cash and cash equivalents and other bank balances and other liabilities including margin money received from clients are considered to be same as their fair values due to current and short term nature of such balances.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low. Accordingly, our provision for expected credit loss on trade receivables is not material.

(iv) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination, which is subsequently measured at fair value through Statement of Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date the carrying amounts approximate fair value due to the short maturity of these instruments.

2.11.3 Derecognition

(i) Financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the management evaluates whether it has transferred substantially all risks and rewards of ownership of financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the entity has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (Continued)

2.12 Impairment

Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets are calculated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.13 Expected credit loss

The impairment requirements apply to all credit exposures that are measured at amortized cost or FVOCI. For purposes of the impairment policy below, these instruments are referred to as ("Financial Assets"). The determination of impairment losses are where allowances are taken upon initial recognition of the Financial Asset, based on expectations of potential credit losses at the time of initial recognition.

A three stage approach is adopted to impairment for Financial Assets that are not credit-impaired at the date of origination or purchase. This approach is summarized as follows:

– Stage 1: The Company recognizes a credit loss allowance at an amount equal to 12-month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after initial recognition.

– Stage 2: The Company recognizes a credit loss allowance at an amount equal to lifetime expected credit losses for those Financial Assets which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on lifetime probability of default, lifetime loss given default and lifetime exposure at default that represents the probability of default occurring over the remaining lifetime of the Financial Asset. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

– Stage 3: The Company recognizes a loss allowance at an amount equal to lifetime expected credit losses, reflecting a Probability of Default of 100 %, via the expected recoverable cash flows for the asset, for those Financial Assets that are credit-impaired. Financial Assets that are credit impaired upon initial recognition are categorized within Stage 3 with a carrying value already reflecting the lifetime expected credit losses.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected credit losses are the estimated based on the probability-weighted present value of the difference between 1) the contractual cash flows that are due to the Company under the contract; and 2) the cash flows that the Company expects to receive.

Significant Increase in Credit Risk

When determining whether the credit risk (i.e., risk of default) of a Financial Asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information based on the Company's historical experience, credit risk assessment and forward-looking information (including macro-economic factors). The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2).

Credit-impaired Financial Assets in Stage 3

The determination of whether a Financial Asset is credit-impaired and therefore in Stage 3 focusses exclusively on default risk, without taking into consideration the effects of credit risk mitigants such as collateral or guarantees. Specifically, a Financial Asset is credit-impaired and in Stage 3 when:

- The Company considers the obligor is unlikely to pay its credit obligations to the Company. Determination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that are qualitative indicators of credit impairment; or
- Contractual payments of either principal or interest by the obligor are past due by more than 90 days.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

2 Summary of Significant accounting policies (Continued)

2.13 Expected credit loss (Continued)

For Financial Assets considered to be credit-impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case-by-case basis for non-homogeneous portfolios, or by applying portfolio based parameters to individual Financial Assets in these portfolios via the Company's ECL model for homogeneous portfolios. This estimate includes the use of discounted cash flows that are adjusted for scenarios.

Forecasts of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability-weighted present value of the difference between the contractual cash flows that are due to the Company under the contract; and the cash flows that the Company expects to receive.

A Financial Asset can be classified as credit-impaired in Stage 3 but without an allowance for credit losses (i.e., no impairment loss is expected). This may be due to the value of collateral. The Company's engine based ECL calculation is conducted on a monthly basis, whereas the case-by-case assessment of ECL in Stage 3 for non-homogeneous portfolio has to be performed at least on a quarterly basis.

Collateral for Financial Assets Considered in the Impairment Analysis

Cash flows expected from collateral and other credit enhancement is reflected in the ECL calculation. The following are key aspects with respect to collateral and guarantees:

- Eligibility of collateral, i.e. which collateral should be considered in the ECL calculation;
- Collateral evaluation, i.e. what collateral (liquidation) value should be used; and
- Projection of the available collateral amount over the life of a transaction.

Impairment Reserve

As per RBI circular dtd. March 13, 2020, ref. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, where impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (including standard asset provisioning), the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' is not to be reckoned for regulatory capital. Further, withdrawals will not be made from this reserve without prior permission from the Department of Supervision, RBI.

2.14 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing :

- The profit attributable to owners of The Company
- By weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.16 Contributed equity

Equity shares are classified as equity.

2.17 Finance Cost

Interest expense are recognised on a time proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

2.18 Off-setting of financial instruments

Financial assets and financial liabilities are off-set and the net amount is reported in the Balance Sheet if there is a current enforceable legal right to off-set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.19 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements

3.1 Financial Instruments

3.1.1 Financial Instruments by category

Financial instruments by category	As at March 31, 2021				As at March 31, 2020			
	Amortised Cost	FVPL	FVOCI	Total carrying value	Amortised Cost	FVPL	FVOCI	Total carrying value
FINANCIAL ASSETS								
Cash and cash equivalents	173.48	-	-	173.48	41.52	-	-	41.52
Trade Receivable	15.47	-	-	15.47	10.03	-	-	10.03
Loans	19,337.57	-	2,313.19	21,650.76	12,846.42	-	1,149.78	13,996.20
Investments	680.00	315.25	482.95	1,478.20	680.00	484.28	988.17	2,152.45
Other financial assets	26.16	-	-	26.16	16.34	-	-	16.34
Total Financial Assets	20,232.68	315.25	2,796.14	23,344.07	13,594.30	484.28	2,137.96	16,216.53
FINANCIAL LIABILITIES								
Trade payables	107.20	-	-	107.20	73.01	-	-	73.01
Other payables	4.82	-	-	4.82	5.91	-	-	5.91
Debt securities	11,094.76	-	-	11,094.76	6,892.75	-	-	6,892.75
Borrowings (other than debt securities)	6.60	-	-	6.60	-	-	-	-
Inter-Corporate Deposits	3,062.40	-	-	3,062.40	-	-	-	-
Other financial liabilities	401.84	-	-	401.84	445.05	-	-	445.05
Total Financial Liabilities	14,677.62	-	-	14,677.62	7,416.72	-	-	7,416.72

3.1.2 Fair value hierarchy

Fair value of the Company's financial instruments, other than those with carrying value amounts that are reasonable approximations of fair values are disclosed. The fair values of financial instruments as referred to in note 3.1.1 above have been classified into the three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1 : quoted prices for identical instruments in an active market
- Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3 : inputs which are not based on observable market data

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
- Investments	483.26	-	315.25	798.51
- Loans	-	2,313.19	-	2,313.19

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
- Investments	988.45	484.28	-	1,472.73
- Loans	-	1,149.78	-	1,149.78

Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets				
Investments	680.00	680.00	680.00	680.00

* The fair value of investments is considered to be same as its carrying amount.

The carrying amounts of loans, cash and cash equivalents, other liabilities, security deposits, trade payables other payables, debt securities, margins from clients - loans and other liabilities are considered to be same as their fair values due to current and short term nature of such balances.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
- Investments	-	-	680.00	680.00

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
- Investments	-	-	680.00	680.00

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.2 Fair value hierarchy (Continued)

a) Valuation Technique used to determine fair value

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 knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

b) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used. There were no transfer of financial instruments within levels.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Investment	Marked to Market Valuation as per FIMMDA / FBIL guidelines / and other market factor.	Based on recovery rates and valuation of collateral.
Loans	Marked to Market Valuation as per trader mark.	None

*There were no significant interrelationships between unobservable inputs that materially affect fair value.

3.1.3 Financial risk management

Financial Risk factors: The Company's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. "It includes interest rate risk and foreign currency risk". The Company's exposure to, and management of these risks is explained below.

Interest Rate Risk

Risk arising from the change in value of an investment due to changes relating to Interest Rates. This includes a) Interest Rate Curve (risk arising from changes in Interest Rate Curves), b) Interest Rate Vega (risk arising from changes in the implied volatilities of Interest Rates), c) Interest rate Basis (risk arising from relative changes between Interest rates), and d) Interest Rate Cross Risk (risk arising from valuation dependency on multiple underlying Interest rates).

The majority of the interest rate risk arising from non-trading asset and liability positions, has been transferred through internal transactions to the Treasury Pool Management, subject to banking book value at risk limits. Treasury Pool Management manages the net banking book risk within the approved limits.

The Company is mainly exposed to the interest rate risk due to its investment in government securities, bonds, loan and borrowings essentially in commercial paper. The interest rate risk arises due to uncertainties about the future market interest rate of these instruments.

The exposure to interest rate risk are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
Loans	21,650.97	13,996.78
Investments	1,837.55	2,417.25
Liabilities		
Debt Securities	11,094.76	6,892.75
Borrowings (other than debt securities)	6.60	-
Inter-corporate Deposit	3,062.40	-
Total	9,324.76	9,521.28

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Interest Rate Risk (Continued)

Value at Risk (VaR) is a one of the key risk management metrics used to monitor and limit the risk of losses that might otherwise be incurred by the entity.

The VaR approach derives a quantitative measure for trading book market risks under normal market conditions, estimating the potential future loss (in terms of market value) that will not be exceeded in a defined period of time and with a defined confidence level.

VaR calculated daily using Historical simulation model with 99% confidence level and holding period of 1day (effective 1st October 2020). Prior to 1st October 2020, VaR was calculated using Monte Carlo simulation model with 99% confidence level and holding period of 1 day.

Particulars	VaR (EUR'000)	Sensitivity (PV01)
As at March 31, 2021	25.59	1.18
As at March 31, 2020	2.77	(0.24)

Foreign Currency Risk

The company is a part of DB Group (headquartered in Germany) , there are certain expenses that are payable in foreign currencies . This creates foreign exchange risk . However the quantum of exposure is minimal and thus they are unhedged.

The foreign currency risks from trade payables as at March 31, 2021 in INR equivalent are as follows:

Particulars	EUR	USD	Other Currencies	Total
Trade payables	66.21	0.79	(0.06)	66.94
Total Financial Liabilities	66.21	0.79	(0.06)	66.94

The foreign currency risks from trade payables as at March 31, 2020 in INR equivalent are as follows:

Particulars	EUR	USD	Other Currencies	Total
Trade payables	88.86	0.82	(0.07)	89.61
Total Financial Liabilities	88.86	0.82	(0.07)	89.61

Exchange Rates

Year end rates are considered as below

Currency	As at March 31, 2021	As at March 31, 2020
EUR	85.75	82.77
USD	73.11	75.67

Sensitivity

Particulars	As at March 31, 2021	As at March 31, 2020
EUR Sensitivity		
INR/EUR -Increase by 1% (Previous year 5%)- Foreign Exchange Gain/ (Loss)	(0.66)	(4.44)
INR/EUR -Decrease by 1% (Previous year 5%) - Foreign Exchange Gain/ (Loss)	0.66	4.44
USD Sensitivity		
INR/USD -Increase by 1% (Previous year 6%)- Foreign Exchange Gain/ (Loss)	(0.01)	(0.05)
INR/USD -Decrease by 1% (Previous year 6%) - Foreign Exchange Gain/ (Loss)	0.01	0.05

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its payment obligations associated with its financial liabilities. The Company manages and monitors its daily liquidity position by ensuring it maintains sufficient liquidity buffers in the form of overnight repo/ reverse repos, Fixed deposits, T-bills & Cash. In addition, the Company manages its short term liquidity risk through the use of liquidity stress testing, which is quantified by the potential amount of liquidity outflows and inflows that may materialize in a stress scenario in accordance with the risk management practices of the Company. The firm defines its stressed Net Liquidity Position ("sNLP") as: Liquidity Reserves – Outflows + Inflows, and models sNLP over an 8-week horizon, under 3 different liquidity stress scenarios. The Company maintains a positive "sNLP" throughout an 8 week liquidity stress under the most severe scenario. In addition, the Company also reports external liquidity metrics in its Structural Liquidity Statement as prescribed by the RBI. The liquidity management of the Company is monitored by the Company's ALCO.

The details of the contractual maturities of significant financial assets and liabilities as at March 31, 2021 are as follows:

Particulars	Less than 1 Year	1-2 Years	More than 2 Years	Total
Cash and cash equivalents	173.48	-	-	173.48
Trade receivable	15.47	-	-	15.47
Loans	19,337.78	-	119.23	19,457.01
Investments	1,126.63	1,250.26	-	2,376.89
Other financial assets	26.16	-	-	26.16
Total financial assets	20,679.52	1,250.26	119.23	22,049.01
Trade payables	107.20	-	-	107.20
Other payables	4.82	-	-	4.82
Debt securities	11,400.00	-	-	11,400.00
Borrowings (other than debt securities)	6.60	-	-	6.60
Inter-Corporate Deposits	3,158.31	-	-	3,158.31
Other financial liabilities	401.84	-	-	401.84
Total financial liabilities	15,078.77	-	-	15,078.77

The details of the contractual maturities of significant financial assets and liabilities as at March 31, 2020 are as follows:

Particulars	Less than 1 Year	1-2 Years	More than 2 Years	Total
Cash and cash equivalents	41.52	-	-	41.52
Trade receivable	10.03	-	-	10.03
Loans	13,996.79	-	119.23	14,116.02
Investments	1,602.43	118.15	908.27	2,628.85
Other financial assets	16.34	-	-	16.34
Total financial assets	15,667.11	118.15	1,027.50	16,812.75
Trade payables	73.01	-	-	73.01
Other payables	5.91	-	-	5.91
Debt securities	7,000.00	-	-	7,000.00
Other financial liabilities	445.05	-	-	445.05
Total financial liabilities	7,523.97	-	-	7,523.97

Borrowing limit from Bank

Particulars	As at March 31, 2021	As at March 31, 2020
Drawn	6.60	-
Undrawn	4,993.40	2,000.00

Collateral

Fair value of collateral held by the company which can be sold or replighted

Particulars	As at March 31, 2021	As at March 31, 2020
Debt securities received in reverse repo transaction	-	-

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Liquidity Risk (Continued)

Funding Concentration based on significant counterparty (borrowings):

Sr.No.	Number of Significant Counterparties	Amount	Percentage of Total Deposits	Percentage of Total Liabilities
1	10	14,163.75	NA	96.43

Top 20 large deposits (amount and percentage of total deposits):

NA

Top 10 borrowings (amount and percentage of total borrowings):

Sr.No.	Name of Borrower	Amount	Percentage of Total Borrowings
1	HDFC Asset Management Company Limited	3,342.24	23.60
2	Deutsche India Holdings Private Limited	3,062.40	21.62
3	TATA Asset Management Private Limited	1,695.80	11.97
4	DSP Blackrock Investment Managers Private Limited	1,543.90	10.90
5	Reliance Nippon Life Asset Management Limited	1,240.25	8.76
6	ICICI Prudential Asset Management Company Limited	992.05	7.00
7	Kotak Mahindra Asset Management Company Limited	990.53	6.99
8	Axis Asset Management Company Limited	990.44	6.99
9	PayU Finance India Private Limited	299.54	2.11
10	Deutsche Bank Aktiengesellschaft	6.60	0.05

Funding Concentration based on significant instrument/product:

Sr.No.	Name of Instrument/ product	Amount	Percentage of Total Liabilities
1	Commercial Paper	11,094.76	75.53
2	Inter-corporate Deposit	3,062.40	20.85
3	Short Term Loan	6.60	0.04

Stock Ratios:

Sr.No.	Particulars	Ratio
1	Commercial papers as a % of total public funds	102.71%
2	Commercial papers as a % of total liabilities	75.53%
3	Commercial papers as a % of total assets	46.62%
4	Inter-corporate Deposit as a % of total public funds	28.35%
5	Inter-corporate Deposit as a % of total liabilities	20.85%
6	Inter-corporate Deposit as a % of total assets	12.87%
7	Short Term Loan as a % of total public funds	0.06%
8	Short Term Loan as a % of total liabilities	0.04%
9	Short Term Loan as a % of total assets	0.03%
10	Other short-term liabilities as a % of total public funds	3.85%
11	Other short-term liabilities as a % of total liabilities	2.83%
12	Other short-term liabilities as a % of total assets	1.75%

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss.

Trade receivables

Trade receivables represents recoverables from customers of portfolio management services. These balances are recoverable from the portfolio balances of the such customers. Based on historical experience of collecting receivables, supported by the level of default, our assessment of credit risk is minimal. Accordingly, there is no provision made for expected credit loss on trade receivable.

Loans

Loans balances represents commercial lending business. Company follows the expected credit loss model to assess the expected losses. The company is also subjected to guidelines as contained in Master Direction applicable to NBFC's. The Company considers the conservative approach while accounting for the credit losses.

Investments

The Company generally invests in government securities including treasury bills, debentures, bonds and others. The credit risk is accounted for on the basis of business model associated with such investments. Basis business model, impairment loss or fair valuation changes as prescribed by FIMMDA / FBIL guidelines are considered by the Company.

Other financial assets

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

Credit risk exposure

The details of the credit risk of significant financial assets as at March 31, 2021 are as follows

Particulars	Less than 1 Year	1-2 Years	More than 2 Years	Total
Cash and cash equivalents	173.48	-	-	173.48
Trade receivable	15.47	-	-	15.47
Loans	21,650.97	-	-	21,650.97
Investments	483.26	1,354.29	-	1,837.55
Other financial assets	26.16	-	-	26.16

The details of the credit risk of significant financial assets as at March 31, 2020 are as follows

Particulars	Less than 1 Year	1-2 Years	More than 2 Years	Total
Cash and cash equivalents	41.52	-	-	41.52
Trade receivable	10.03	-	-	10.03
Loans	13,996.78	-	-	13,996.78
Investments	1,472.73	-	944.52	2,417.25
Other financial assets	16.34	-	-	16.34

Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits (for deposit taking NBFCs)

Total Deposits of twenty largest depositors	NA
Percentage of Deposits of twenty largest depositors to the Total Deposits of the NBFC	NA

Concentration of Advances

Total Advances to twenty largest borrowers	16,305.50
Percentage of Advances to twenty largest borrowers	84.07

Concentration of Exposures

Total Exposure to twenty largest borrowers / customers	22,950.00
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	57.01

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Concentration of Deposits, Advances, Exposures and NPAs (Continued)

Concentration of NPAs

Total Exposure to top four NPA accounts	119.23
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Sector-wise NPAs

S.No.	Sector	Percentage of NPA's to total advances in that
1	Agriculture & allied activities	-
2	MSME	-
3	Corporate borrowers	1.11
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-
7	Other personal loans	-

Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

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	Stage 1	16,706.44	0.19	16,706.25	66.83	(66.64)
	Stage 2	2,570.00	0.02	2,569.98	10.28	(10.26)
Subtotal		19,276.44	0.21	19,276.23	77.11	(76.90)
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	119.23	119.23	-	119.23	-
Subtotal for doubtful		119.23	119.23	-	119.23	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		119.23	119.23	-	119.23	-
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	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	16,706.44	0.19	16,706.25	66.83	(66.64)
	Stage 2	2,570.00	0.02	2,569.98	10.28	(10.26)
	Stage 3	119.23	119.23	-	119.23	-
	Total	19,395.67	119.44	19,276.23	196.34	(76.90)

Disclosure Required under COVID-19 Regulatory Package - Asset Classification and Provisioning

Particulars	As at March 31, 2021
Amounts in SMA/Overdue categories, where the moratorium/ deferment was extended	-
Amount where asset classification benefits is extended	-
Provision Created	-
Less: Provisions adjusted during the against slippages	-
Residual provisions	-

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Expected credit loss for loans and investments

Particulars		Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investments at amortised cost	-	-	-	-
		Investments at FVOCI	483.26	0.06%	0.31	482.95
		Loans	19,337.78	0.00%	0.21	19,337.57
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly since initial recognition	Investments at amortised cost	1,039.04	34.55%	359.04	680.00
		Loans	-	-	-	-

Expected credit loss for loans and investments - (Previous year)

Particulars		Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investments at amortised cost	-	-	-	-
		Investments at FVOCI	988.45	0.03%	0.28	988.17
		Loans	12,847.00	0.00%	0.58	12,846.43
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly since initial recognition	Investments at amortised cost	944.52	28.01%	264.52	680.00
		Loans	-	-	-	-

Reconciliation of loss allowance provision- Loans and investments

Reconciliation of loss allowance	Loss allowance measured at 12 month expected	Financial assets for which credit risk has increased significantly and not credit impaired	Financial assets for which credit risk has increased significantly and credit impaired
Loss allowance on April 1, 2019	62.12	-	223.51
Add (Less): Changes in loss allowances due to Assets originated or purchased	-	-	-
Modification of contractual cash flows that did not result in derecognition	-	-	-
Write – offs	-	-	-
Recoveries	-	-	-
Changes in risk parameters	-	-	41.01
Net remeasurement of loss allowance	(61.26)	-	-
Loss allowance on March 31, 2020	0.86	-	264.52
Add (Less): Changes in loss allowances due to Assets originated or purchased	-	-	-
Modification of contractual cash flows that did not result in derecognition	-	-	-
Write – offs	-	-	-
Recoveries	-	-	-
Changes in risk parameters	-	-	94.52
Net remeasurement of loss allowance	(0.34)	-	-
Loss allowance on March 31, 2021	0.52	-	359.04

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.3 Financial risk management (Continued)

Off-setting of financial instruments

The following table presents the financial assets and collaterals on which the company has a right to sell or off-set in absence of default. However, the financial assets have not been off-set with the amount of respective collaterals in the balance sheet and captured in the below table for the purpose of disclosure:

Particulars	Gross Amounts	Gross amounts set-off in the balance sheet	Net amounts presented in the balance sheet	Fair value of collaterals Obtained**
As at March 31, 2021				
- Term loans at amortised cost	19,337.78	-	19,337.78	19,337.78
Total	19,337.78	-	19,337.78	19,337.78
As at March 31, 2020				
- Term loans at amortised cost	12,846.42	-	12,846.42	12,846.42
Total	12,846.42	-	12,846.42	12,846.42

**Company obtains financial collateral from its borrowers towards loans advanced as Loans Against Securities (LAS). Fair value of the financial collateral obtained is more than the underlying loan exposure. Accordingly, amounts have been capped to the extent it does not exceed the net amount of financial assets presented on the balance sheet. Off-setting rights will trigger on happening of certain events as mentioned in the respective agreement with borrower.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

3 Notes to the financial statements (Continued)

3.1.4 Capital Management

i) The Company considers the following components of its Balance Sheet to be managed capital

- Equity Shares
- Retained Profits
- Securities premium reserve
- Statutory reserve

ii) The Company's capital management objectives are to hold capital sufficient to :

- Operate in compliance with regulatory requirements.
- Retain flexibility to take advantage of future growth opportunities.
- Be well capitalized and funded to meet strategic objectives & support underlying risks of business.

iii) Compliance with externally imposed capital requirements

- As per the Reserve Bank of India Act, 1934, the Company shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. During the year, the same has been maintained above the regulatory requirement by the Company.

- The company duly complied with above stated capital requirements.

Capital

Items	2021	2020
CRAR (%)	43.49%	64.46%
CRAR - Tier I capital (%)	43.49%	64.46%
CRAR - Tier II Capital (%)	0.00%	0.00%
Amount of subordinated debt raised as Tier - II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

iv) Dividend

- The Company has paid Interim Equity Dividend of Rs. 6.25 (Previous year Rs. 3.74) per share. This has resulted in cash outflow of Rs. 330.53 (Previous year Rs. 238.45 including Dividend Distribution Tax of Rs. 40.66).

As at
March 31, 2021

As at
March 31, 2020

4. Cash and cash equivalents

Cash and cash equivalents

- Balances in current accounts
- Bank deposits with original maturity of 3 months or less

Total cash and cash equivalents

Allowance for Impairment loss

Total

173.48 41.52

- -

173.48 41.52

- -

173.48 41.52

5. Trade receivables

Trade receivables

Receivables considered good - Secured

Total

15.47 10.03

15.47 10.03

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

6. Loans

	As at March 31, 2021				Total
	Amortised cost	Through other comprehensive income	Through profit or loss*	Subtotal	
	(1)	(2)	(3)	(4=2+3)	(5=1+4)
Loans					
(A)					
(i) Term loans	19,337.78	-	-	-	19,337.78
(ii) Collateralised lending obligation	-	2,313.19	-	2,313.19	2,313.19
Total (A) -Gross	19,337.78	2,313.19	-	2,313.19	21,650.97
Less: Impairment loss allowance	0.21	-	-	-	0.21
Total (A) - Net	19,337.57	2,313.19	-	2,313.19	21,650.76
(B)					
(i) Secured by tangible assets	19,337.78	-	-	-	19,337.78
(ii) Secured by intangible assets	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	2,313.19	-	2,313.19	2,313.19
(iv) Unsecured	-	-	-	-	-
Total (B)-Gross	19,337.78	2,313.19	-	2,313.19	21,650.97
Less: Impairment loss allowance	0.21	-	-	-	0.21
Total (B)-Net	19,337.57	2,313.19	-	2,313.19	21,650.76
(C)					
(I) Loans in India					
(i) Public Sector	-	-	-	-	-
(ii) Others	19,337.78	2,313.19	-	2,313.19	21,650.97
Total (C)- Gross	19,337.78	2,313.19	-	2,313.19	21,650.97
Less: Impairment loss allowance	0.21	-	-	-	0.21
Total(C) (I)-Net	19,337.57	2,313.19	-	2,313.19	21,650.76
(II) Loans outside India					
Less: Impairment loss allowance	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-
Total C(I) and C(II)	19,337.57	2,313.19	-	2,313.19	21,650.76

As at March 31, 2020				
Amortised cost	Through other comprehensive income	Through profit or loss*	Subtotal	Total
(6)	(7)	(8)	(9=7+8)	(10=6+9)
12,847.00	-	-	-	12,847.00
-	1,149.78	-	1,149.78	1,149.78
12,847.00	1,149.78	-	1,149.78	13,996.79
0.58	-	-	-	0.58
12,846.42	1,149.78	-	1,149.78	13,996.20
12,847.00	-	-	-	12,847.00
-	-	-	-	-
-	1,149.78	-	1,149.78	1,149.78
-	-	-	-	-
12,847.00	1,149.78	-	1,149.78	13,996.78
0.58	-	-	-	0.58
12,846.42	1,149.78	-	1,149.78	13,996.20
-	-	-	-	-
12,847.00	1,149.78	-	1,149.78	13,996.78
12,847.00	1,149.78	-	1,149.78	13,996.78
0.58	-	-	-	0.58
12,846.42	1,149.78	-	1,149.78	13,996.20
-	-	-	-	-
-	-	-	-	-
12,846.42	1,149.78	-	1,149.78	13,996.20

* Loans at fair value through profit and loss includes loans which have been marked down upto 100%. Gross value of such loans outstanding as at March 31, 2021 is INR 119.23 (March 31, 2020 - INR 119.23)

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

7. Investments

	As at March 31, 2021					As at March 31, 2020				
	Amortised cost	At fair value			Total	Amortised cost	At fair value			Total
		Through other comprehensive income	Through profit or loss	Subtotal			Through other comprehensive income	Through profit or loss	Subtotal	
	(1)	(2)	(3)	(4=2+3)	(5=1+4)	(1)	(2)	(3)	(4=2+3)	(5=1+4)
Debt securities	1,039.04	483.26	315.25	798.51	1,837.55	944.52	988.45	484.28	1,472.73	2,417.25
Total – Gross (A)	1,039.04	483.26	315.25	798.51	1,837.55	944.52	988.45	484.28	1,472.73	2,417.25
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	1,039.04	483.26	315.25	798.51	1,837.55	944.52	988.45	484.28	1,472.73	2,417.25
Total (B)	1,039.04	483.26	315.25	798.51	1,837.55	944.52	988.45	484.28	1,472.73	2,417.25
Less: Allowance for Impairment loss (C)	359.04	0.31	-	0.31	359.35	264.52	0.28	-	0.28	264.80
Total – Net D= (A)-(C)	680.00	482.95	315.25	798.20	1,478.20	680.00	988.17	484.28	1,472.45	2,152.45

Deutsche Investments India Private Limited

Notes to the financial statements (*Continued*)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

	As at March 31, 2021	As at March 31, 2020
8. Other financial assets		
Security deposits	26.10	16.26
Interest accrued on deposits with The Clearing Corporation of India Limited	0.06	0.08
Total	26.16	16.34
9. Current tax assets (Net)		
Others, Unsecured and considered good		
Advance tax and tax deducted at source [net of provision for tax Rs. 2,759.98 (Previous year Rs. 2,591.19)]	273.09	313.66
Total	273.09	313.66

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

10. Property, plant and equipment

Description	As at April 01, 2020	Gross block		As at Mar 31, 2021	As at April 01, 2020	Depreciation		As at Mar 31, 2021	Net block As at Mar 31, 2021
		Additions	Deductions			For the year	Deductions		
Furniture and fixtures	0.18	0.39	-	0.57	0.18	0.01	-	0.19	0.38
Office equipments	0.14	0.15	-	0.29	0.14	0.01	-	0.15	0.14
Computer hardware - end user devices	1.79	0.51	0.29	2.01	1.13	0.25	0.29	1.09	0.92
Total	2.11	1.05	0.29	2.87	1.45	0.27	0.29	1.43	1.44

11. Intangible assets

Description	As at April 01, 2020	Gross block		As at Mar 31, 2021	As at April 01, 2020	Amortization		As at Mar 31, 2021	Net block As at Mar 31, 2021
		Additions	Deductions			For the year	Deductions		
Computer software	0.13	-	0.13	-	0.13	-	0.13	-	-
Total	0.13	-	0.13	-	0.13	-	0.13	-	-

11.1 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Property, plant and equipment	0.27	0.14
Intangible assets	-	-
Total	0.27	0.14

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

10. Property, plant and equipment (Previous year)

Description	Gross block			As at		Depreciation		As at		Net block
	April 1, 2019	Additions	Deductions	March 31, 2020	April 1, 2019	For the year	Deductions	March 31, 2020	March 31, 2020	As at March 31, 2020
Furniture and fixtures	0.18	-	-	0.18	0.18	-	-	0.18		-
Office equipments	0.14	-	-	0.14	0.14	-	-	0.14		-
Computer hardware - end user devices	1.05	0.74	-	1.79	0.99	0.14	-	1.13		0.66
Total	1.37	0.74	-	2.11	1.31	0.14	-	1.45		0.66

11. Intangible assets (Previous year)

Description	Gross block			As at		Amortization		As at		Net block
	April 1, 2019	Additions	Deductions	March 31, 2020	April 1, 2019	For the year	Deductions	March 31, 2020	March 31, 2020	As at March 31, 2020
Computer software	0.13	-	-	0.13	0.13	-	-	0.13		-
Total	0.13	-	-	0.13	0.13	-	-	0.13		-

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

	As at March 31, 2021	As at March 31, 2020
12. Other non-financial assets		
GST / Service tax credit receivable	0.08	0.08
Prepaid expenses	1.24	0.39
Other receivables	0.31	0.41
Total	1.63	0.88
13. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 32.9)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Payable to group companies (refer note 32.3)	107.20	73.01
Total	107.20	73.01
14. Other payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 32.9)	0.51	0.33
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Others	4.31	5.58
Total	4.82	5.91
15. Debt Securities		
Unsecured		
Commercial papers* (valued at amortized cost)	11,094.76	6,892.75
Total	11,094.76	6,892.75
Debt securities in India	11,094.76	6,892.75
Debt securities outside India	-	-
Total	11,094.76	6,892.75
* Commercial papers are issued at interest rate between 3.75% to 7.65% having maturity of less than one year.		
16. Borrowings (Other than Debt Securities)		
Unsecured		
Term Loans (valued at amortized cost)		
From Banks	6.60	-
From Other Parties	-	-
Total	6.60	-
Borrowings (other than Debt Securities) in India	6.60	-
Borrowings (other than Debt Securities) outside India	-	-
Total	6.60	-
17. Deposits		
Unsecured		
Deposit (valued at amortized cost)		
From Banks	-	-
From Other Parties	3,062.40	-
Total	3,062.40	-

Deutsche Investments India Private Limited

Notes to the financial statements (*Continued*)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

	As at March 31, 2021	As at March 31, 2020
18. Other financial liabilities		
Margins from clients - loan	401.50	441.92
Other liabilities	0.34	0.27
Income received in advance	-	0.50
Interest accrued on borrowings	-	2.36
Total	401.84	445.05
19. Current tax liabilities (Net)		
Provision for income tax [net of advance tax and tax deducted at source Rs. 262.83 (Previous year Rs. 258.14)]	5.17	9.86
Total	5.17	9.86
20. Provisions		
Provisions for employee benefits		
- Gratuity (refer note 32.1)	1.20	0.93
- Compensated absences	0.29	0.47
- Bonus	1.51	1.61
Total	3.00	3.01
21. Other non-financial liabilities		
Statutory dues	2.53	7.75
Total	2.53	7.75

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

As at March 31, 2021

(Currency: Indian Rupees in Millions)

	As at March 31, 2021	As at March 31, 2020
22. Share capital		
Authorised		
55,000,000 (Previous year: 55,000,000) equity shares of Rs 10 each	550.00	550.00
Total	<u>550.00</u>	<u>550.00</u>
Issued, subscribed and paid up		
52,885,000 (Previous year: 52,885,000) equity shares of Rs 10 each fully paid up	528.85	528.85
Total	<u>528.85</u>	<u>528.85</u>
52,885,000 (Previous year: 52,885,000) equity shares of Rs 10 each fully paid up		
80.95% (Previous year: 80.95%) 42,812,500 shares of the issued, subscribed and paid up capital is held by Deutsche Asia Pacific Holding Pte Limited, the holding company.		
19.05% (Previous year: 19.05%) 10,072,500 shares of the issued, subscribed and paid up capital is held by Deutsche India Holdings Private Limited. Deutsche Asia Pacific Holding Pte Limited is the holding company of Deutsche India Holdings Private Limited and Deutsche Bank AG is the ultimate holding company.		
a) Reconciliation of the number of shares		
Number of shares outstanding at the beginning of the year	52,885,000	52,885,000
Number of shares outstanding at the end of the year	<u>52,885,000</u>	<u>52,885,000</u>
Reconciliation for the share capital		
Share capital outstanding at the beginning of the year	528.85	528.85
Share capital outstanding at the end of the year	<u>528.85</u>	<u>528.85</u>
b) Terms / rights attached to Equity Shares		
The Company has only one class of equity shares having face value of Rs. 10 each, each holder of an equity share is entitled to one vote per share.		
The holders of Equity Shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting, except in case of Interim dividends.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.		

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

23. Interest Income

Particulars	For the year ended March 31, 2021				For the year ended March 31, 2020			
	On Financial Assets measured at fair value through OCI (at Effective Interest Rate)	On Financial Assets measured at Amortised Cost (at Effective Interest Rate)	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI (at Effective Interest Rate)	On Financial Assets measured at Amortised Cost (at Effective Interest Rate)	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	-	1,113.65	-	1,113.65	-	1,579.73	-	1,579.73
Interest income from investments	16.79	94.52	14.03	125.34	52.52	114.95	116.00	283.47
Interest on deposits with Banks	-	0.74	-	0.74	-	22.53	-	22.53
Interest on collateralised lending obligation	54.39	-	-	54.39	99.63	-	-	99.63
Other interest Income	-	2.17	-	2.17	-	0.44	-	0.44
Total	71.18	1,211.08	14.03	1,296.29	152.16	1,717.65	116.00	1,985.80

24. Net loss on fair value changes

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	(148.04)	(119.20)
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
Total Net gain/(loss) on fair value changes (C)	(148.04)	(119.20)
Fair Value changes:		
- Realised	-	(27.15)
- Unrealised	(148.04)	(92.05)
Total Net gain/(loss) on fair value changes(D) to tally with (C)	(148.04)	(119.20)

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
25. Revenue from contracts with customers		
Portfolio management services fees	47.51	40.81
Total	47.51	40.81
26. Other income		
Net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost)	(2.25)	(9.03)
Total	(2.25)	(9.03)
27. Fees and commission expense		
Brokerage & other transaction charges	1.71	5.43
Referral fees paid	23.80	19.22
Total	25.51	24.65
28. Employee benefits expenses		
Salaries and wages	116.78	99.32
Contribution to provident and other funds	4.16	2.79
Staff welfare expenses	0.16	0.15
Total	121.10	102.26
Payments made to Deutsche Bank AG, India branches and other group companies towards salaries, provident fund / gratuity / pension / compensated absences and other benefits of the employees, whose services are rendered to the Company on deputation basis, are regarded as Company's Employee benefits expenses.		
29. Other expenses		
Rent, taxes and energy costs	9.91	14.35
Repairs and maintenance	1.21	1.08
Communication costs	7.19	5.21
Insurance	0.50	0.57
Global management charges	32.83	57.90
System and infrastructure support cost	42.70	32.38
Corporate social responsibility (refer note 32.36)	11.44	11.22
Sales and marketing	(1.55)	5.59
Legal and professional charges	16.04	15.09
Payments to the auditor		
As Auditor		
Statutory audit	0.44	1.24
Tax audit	0.11	0.11
For other services	0.98	0.08
Reimbursement of expenses	0.01	0.07
Goods and Services Tax	24.51	42.14
Other expenditure	0.84	0.91
Total	147.16	187.94

Deutsche Investments India Private Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

30. Impairment on financial instruments

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	Total	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	Total
Loans	-	(0.38)	(0.38)	-	(61.41)	(61.41)
Investments	0.03	94.50	94.53	0.14	41.01	41.15
Total	0.03	94.12	94.15	0.14	(20.40)	(20.26)

31. Finance costs

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings	-	32.87	32.87	-	33.13	33.13
Interest on debt securities	-	333.64	333.64	-	985.36	985.36
Interest on ICD	-	96.42	96.42	-	-	-
Interest on bank overdraft	-	-	-	-	0.10	0.10
Interest on collateralised borrowing obligation	-	0.17	0.17	-	0.55	0.55
Total	-	463.10	463.10	-	1,019.14	1,019.14

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts

32.1 Employee Benefits

The following disclosures have been set out in accordance with the requirements of Indian Accounting Standard 19 on "Employee Benefits" prescribed by the Companies (Indian Accounting Standards (Ind AS)) Rules, 2015.

Employee benefits, included under the head employee benefits Expenses, are given below:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	3.89	2.57
Compensated absences	(0.13)	0.23
Long-term award*	-	(0.08)

* Long service awards has been discontinued effective October 01, 2019

Gratuity

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:

Change in the present value of defined benefit obligations	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation at beginning of the year	0.93	0.37
Current service cost	0.30	0.16
Interest cost	0.06	0.02
Actuarial (gain)/loss - experience	0.05	0.29
Actuarial (gain)/loss - financial assumptions	-	0.09
Past service cost - plan amendments	-	-
Benefits paid directly by the Company	(0.14)	-
Defined Benefit Obligation at end of current year	1.20	0.93

Details of Net Balance Sheet Position	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at beginning of the year	-	-
Interest Income on planned assets	-	-
Benefit paid	-	-
Employer contributions	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of the year	-	-

Details of amounts booked to profit and loss account and other comprehensive income during the year

Net gratuity expenses (recognized in employee benefit expenses)	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	0.31	0.16
Past service cost - plan amendments	-	-
Net interest on net defined benefit liability / (asset)	0.06	0.03
Net actuarial gain (loss) recognized in the year	-	-
Expenses recognized in the statement of profit and loss	0.37	0.19
Actuarial (gain)/loss due to DBO experience	0.05	0.28
Actuarial (gain)/loss due to DBO assumption changes	-	0.09
Actuarial (gain)/loss arising during year	0.05	0.37
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains)/ losses recognized in OCI	0.05	0.37

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.1 Employee Benefits (Continued)

The expected maturity profile of defined benefit obligation as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Within 1 year	0.10	0.11
1-2 year	0.16	0.09
2-3 years	0.17	0.14
3-4 years	0.17	0.15
4-5 years	0.22	0.14
5-10 years	1.84	1.11

Assumptions	As at March 31, 2021	As at March 31, 2020
	Projected Unit Credit	Projected Unit Credit
Valuation Method		
Discount rate	6.70% p.a.	6.70% p.a.
Salary escalation	10% p.a.	10% p.a.
Normal Retirement Age	62 years	62 years
Weighted average duration of defined benefit obligation	10 years	10 years
Attrition rate		
0 – 5 years	20.00%	20.00%
6 – 10 years	15.00%	15.00%
Above 10 years	5.00%	5.00%
Mortality (India Assured Lives)	Mortality (2006-08) (modified) Ult	Mortality (2006-08) (modified) Ult
Amortisation of Actuarial Loss (Gain)	Immediate	Immediate

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Gratuity	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.06)	0.06	(0.05)	0.05
Salary Escalation rate (0.5% movement)	0.03	(0.03)	0.04	(0.04)
Attrition rate (5% movement)	(0.03)	(0.09)	(0.08)	0.12

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.2 Segment Information

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Indian Accounting Standard 108 'Operation Segments' prescribed by Companies (Indian Accounting Standard) Rules, 2015. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company.

The Company has identified the following segments as reporting segments based on the information reviewed by CODM and segment information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions.

Global Market : Encompasses all the activities pertaining to Global Markets Business of the Company including loan to corporate clients and dealing in corporate bonds, government securities, derivatives, placement of corporate debentures / loans, etc.

Wealth Management : Encompasses all the activities pertaining to clients of Wealth Management business including Loans / PMS.

Others : Includes revenue earned on account of the notional capital charge and expenses incurred.

(b) Segment Revenue

The segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable. Transactions between segments are eliminated. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

The following table gives information on the segment revenue and results for the year ended:

Particulars	Global market		Wealth management		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Segment Revenue (Net)	75.23	90.96	1,000.98	1,315.69	265.34	491.73	1,341.55	1,898.38
Inter Segment Revenue	(37.46)	(66.95)	(227.88)	(424.78)	265.34	491.73	-	-
Segment Revenue from Operations	112.69	157.91	1,228.86	1,740.47	-	-	1,341.55	1,898.38
Segment Results (PBT)	(255.79)	(128.97)	343.20	240.04	254.81	473.44	342.22	584.51
Provision for Tax					168.80	156.03	168.80	156.03
Deferred Tax					(77.41)	7.14	(77.41)	7.14
Profit after tax	(255.79)	(128.97)	343.20	240.04	163.42	310.27	250.83	421.34
Other Information								
Segment Assets	1,145.29	1,361.74	22,200.63	14,854.91	-	-	23,345.92	16,216.65
Unallocated Assets							450.52	412.64
Total Assets							23,796.44	16,629.29
Segment Liabilities	709.35	621.39	13,955.43	6,760.62	9,126.49	9,237.43	23,791.27	16,619.43
Unallocated Liabilities							5.17	9.86
Total Liabilities							23,796.44	16,629.29
Property, plant and equipment purchased / capitalized during the year	0.21	0.08	0.70	0.34	0.14	0.32	1.05	0.74
Depreciation / amortization on property, plant and equipment	0.04	0.03	0.12	0.07	0.11	0.04	0.27	0.14
Significant non-cash items included in segment expenses	94.50	41.03	(0.35)	(61.28)	-	-	94.15	(20.25)

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.3 Related parties

The disclosures regarding related parties as required by Indian Accounting Standard 24 "Related Party Disclosures" prescribed by the Companies (Indian Accounting Standards) Rules, 2015 are as under:

(A) Names of related parties by whom control is exercised

Deutsche Bank AG (and its branches)	Ultimate Holding company
Deutsche Asia Pacific Holding Pte Limited	Holding Company

(B) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual

None

(C) Key Management Personnel

Yogesh Rungta (Chief executive officer)
Siddhartha Chopra (Director)
Atin Kumar Saha (Director)
Ramaswami Krishnakumar (Director)
Sumit Gupta (Director)
Anjallee Paatil (Director) (w.e.f. November 26, 2020)

(D) Fellow subsidiaries with whom transactions/balances have taken place during the year:

Deutsche Bank Trust Company, National Association
Deutsche Bank Luxembourg S.A.
Deutsche Securities Inc.
Deutsche Bank (Suisse) SA
Deutsche Equities India Private Limited
Deutsche Bank Securities Inc.
Deutsche Group Services Pty Limited
DB USA Core Corporation
DB Group Services (EURO)
Deutsche Knowledge Services Pte. Ltd., Manila Branch
DBOI Global Services Private Limited
Deutsche Investor Services Private Limited
Deutsche CIB Centre Private Limited
DBOI Global Services (UK) Limited
Deutsche Securities Korea Co.
Deutsche India Holding Private Limited
Deutsche Bank Trust Company Americas
DB Service Centre Limited

(E) Transactions with related parties

Nature of Related Party Transaction	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Controlling Entities	Fellow Subsidiaries	Controlling Entities	Fellow Subsidiaries
A) Revenue				
Interest income on bank deposit	0.74	-	22.53	-
B) Expenses				
Global management charges	33.98	(1.15)	55.92	1.99
Employee benefit expenses	76.80	0.02	57.60	8.68
System and infrastructure support	28.13	14.13	27.56	4.45
Bank charges	0.04	-	0.06	-
Interest on borrowings	32.87	-	33.13	-
Interest on Inter-corporate deposit	-	96.42	-	-
Rent	7.64	2.23	6.89	6.38
Portfolio management services	23.80	-	19.22	-
Interest on bank overdraft	-	-	0.10	-
Sales and marketing	(1.55)	-	5.59	-
Custody charges	0.27	-	0.32	-
Other expenses	0.69	-	0.59	-
C) Other transactions				
Dividend paid	267.58	62.95	160.12	37.67
Bank deposit placed	1,350.00	-	8,515.00	-
Bank deposit matured	1,350.00	-	8,515.00	-
Short term loan taken	3,256.60	-	3,900.00	-
Short term loan repaid	3,250.00	-	3,900.00	-
Inter-corporate deposit issued	-	4,200.00	-	-
Inter-corporate deposit repaid	-	1,200.00	-	-
Purchase of investments	482.58	-	943.20	-

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.3 Related parties (Continued)

(F) Transactions with Key Management Personnel

Nature of Related Party Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	10.45	9.04
Post-employment benefits	0.35	0.33
Other long-term benefits	-	-
Termination benefits	0.31	0.25
Share-based payment	-	-

(G) Balances with related parties

Particulars	As at March 31, 2021		As at March 31, 2020	
	Controlling Entities	Fellow Subsidiary	Controlling Entities	Fellow Subsidiary
A) Receivables				
Bank balance	173.39	-	41.43	-
B) Payables				
Payable to group companies*	108.98	6.67	72.65	18.80
Portfolio management services fees payable	9.41	-	5.01	-
Accrued interest on short term borrowing	-	-	2.36	-
Short term loan	6.60	-	-	-
Inter-corporate deposit	-	3,062.40	-	-

*Payable to group companies are gross amount before Tax deducted at source (TDS) and considering effect of forex revaluation at year end.

(H) Particulars of Terms of arrangements/contracts with Related parties

The transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment for receivables from group companies.

32.4 Earning per share ('EPS')

In accordance with Indian Accounting Standard (Ind AS) 33 notified under the Companies (Indian Accounting Standards) Rules, 2015, the computation of EPS is set out below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Shareholders earnings (profit after tax as per statement of profit and loss) (A)	250.83	421.34
b) Weighted average number of equity shares outstanding during the year (B)	52,885,000	52,885,000
c) Basic and diluted earnings per share (in rupees) (A/B)	4.74	7.97

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.5 Income Taxes

Reconciliation of the income tax provision to the amount computed by applying statutory income tax rate to the income before income taxes is summarised as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before income tax	342.22	584.51
Enacted tax rates in India (%)	25.17%	25.17%
Computed expected tax expenses	86.13	147.11
Corporate Social Responsibility Expenditure	2.88	1.44
Change in Statutory Tax Rate*	-	14.29
Others	2.38	0.33
Income-tax relating to prior years	18.64	-
Income tax expense**	72.75	163.17

** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that the Company does not have any uncertain tax treatments to be reported under this clause.

Deferred tax

The primary components that gave rise to deferred tax liabilities and assets are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax asset		
Provision for Gratuity and compensated absences	0.37	0.34
Expected credit loss	90.46	66.75
Provision for expenses	-	0.87
Provision for Bonus	0.38	0.40
Difference in WDV of property, plant and equipment as per tax and accounting books	0.07	0.08
Unrealized loss on debt/other instruments (net)	29.03	29.11
Net loss on fair value changes (unreliaed)	37.26	-
Deferred-tax relating to prior years	18.64	-
Net Deferred tax assets	176.21	97.55

Particulars	Provision for Gratuity and compensated absences	Expected credit loss	Provision for expenses	Provision for Bonus	Net loss on fair value changes (unreliaed)	Written down value of property, plant and equipment	Unrealized loss on debt/other instruments (net)	Deferred-tax relating to prior years	Total
Balance as at April 01, 2019	0.27	83.13	0.09	0.01	-	0.17	21.62	-	105.29
(charged)/credited:									
- to Profit or Loss	(0.02)	(16.38)	0.78	0.39	-	(0.09)	8.18	-	(7.14)
- to Other Comprehensive Income	0.09	-	-	-	-	-	(0.69)	-	(0.60)
Balance as at March 31, 2020	0.34	66.75	0.87	0.40	-	0.08	29.11	-	97.56
(charged)/credited:									
- to Profit or Loss	0.02	23.71	(0.87)	(0.02)	37.26	(0.01)	(1.31)	18.64	77.41
- to Other Comprehensive Income	0.01	-	-	-	-	-	1.23	-	1.24
Balance as at March 31, 2021	0.37	90.46	-	0.38	37.26	0.07	29.03	18.64	176.21

32.6 Contingent liabilities and capital commitment

The Company has outstanding contingent liability towards Income tax demands as at March 31, 2021 amounting to Rs.800.52 (Previous year: Rs. 780.08).

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

The capital commitment outstanding as on March 31, 2021 is Rs Nil (Previous year is Nil)

The Company is of the view that outflows on account of the above matters are not probable accordingly no provision has been made towards these matters in the financials.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.7 Foreign currency exposure

Foreign currency exposure not covered by forward contracts:

		As at March 31, 2021		As at March 31, 2020	
		FCY Amount (in thousands)	INR Amount	FCY Amount (in thousands)	INR Amount
Payables	AUD	0.06	0.00	0.06	0.00
	EUR	772.18	66.21	1,073.59	88.86
	HKD	(8.05)	(0.08)	(8.05)	(0.08)
	SGD	0.20	0.01	0.20	0.01
	USD	10.80	0.79	10.80	0.82

32.8 Dividend remitted in Foreign Currency

The details of dividend remitted during the year as follows:

Particulars	Number of non resident shareholder	No of shares	For the year ended March 31, 2021	For the year ended March 31, 2020
Interim equity dividend paid	1	42,812,500	267.58	160.12

32.9 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is as follows.

Item No.	Disclosures required under the Micro, Small & Medium Development Act, 2006	As at March 31, 2021	As at March 31, 2020
I	Delayed payments due as at the end of each accounting year on account of - Principal - Interest due thereon	0.01 -	0.02
II	the amount of interest paid by the buyer under MSMED act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
III	the amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED act is not paid);	-	-
IV	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
V	the amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure u/s 23.	-	-

Additional Disclosures as per RBI's Master Direction DNBR. PD. 008/03.10.119/2016-17 updated as on February 17, 2020

32.10 Investments

Particular	2021	2020
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,837.55	2,417.25
(b) Outside India	-	-
(ii) Provision of Depreciation		
(a) In India	359.35	264.80
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,478.20	2,152.45
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	264.80	223.65
(ii) Add: Provisions made during the Year	94.55	41.15
(iii) Less: Write-off/ write-back of excess provisions during the year	-	-
(iv) Closing Balance	359.35	264.80

32.11 Derivatives

a. Forward Rate Agreement/ Interest Rate Swap

There were no outstanding contract as at March 31, 2021, March 31, 2020 Rs. Nil.

b. Exchange Traded Interest Rate (IR) Derivatives

There are no transactions during current year as well as for the previous year.

c. Disclosure on Risk Exposure in Derivatives

There were no outstanding contract as at March 31, 2021, March 31, 2020 Rs. Nil.

32.12 Disclosures relating to Securitisation

There are no transactions during current year as well as for the previous year.

32.13 Details of Financial Assets sold to Securitisation / Reconstruction Company for asset Reconstruction

There are no transactions during current year as well as for the previous year.

32.14 Details of Assignment transactions undertaken by NBFCs

There are no transactions during current year as well as for the previous year.

32.15 Details of non-performing financial assets purchased / sold

There are no transactions during current year as well as for the previous year.

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.16 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

2021	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 years to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings	6.60	-	1,047.02	1,093.04	3,716.91	1,000.00	7,237.80	-	-	-	14,101.37
Foreign											
Currency											
Liabilities	-	-	-	-	66.94	-	-	-	-	-	66.94
Assets											
Advances (net)	3,197.44	662.49	4,326.46	707.49	2,562.38	6,537.98	3,594.97	-	-	-	21,589.21
Investments (net)	-	-	-	-	-	-	482.94	995.25	-	-	1,478.19
Foreign											
Currency											
Assets	-	-	-	-	-	-	-	-	-	-	-

2020	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 years to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings	-	-	-	2,473.26	4,419.49	-	-	-	-	-	6,892.75
Foreign											
Currency											
Liabilities	-	-	-	-	89.61	-	-	-	-	-	89.61
Assets											
Advances (net)	1,286.51	472.48	4,972.78	773.04	2,034.91	4,383.30	-	-	-	-	13,923.01
Investments (net)	-	-	-	-	15.30	995.82	396.98	680.00	-	-	2,088.10
Foreign	-	-	-	-	-	-	-	-	-	-	-
Currency											
Assets	-	-	-	-	-	-	-	-	-	-	-

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.17 Exposures

Exposure to Real Estate Sector

Category	2021	2020
a) Direct Exposure		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	NIL	NIL
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	10,819.23	10,369.23
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	NIL	NIL
b. Commercial Real Estate	NIL	NIL
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

Commercial Real Estate exposure has been computed and reported in accordance with RBI circular 'Guideline on Classification of Exposures as Commercial Real Estate (CRE) Exposures' reference

Exposure to Capital market

Particulars	2021	2020
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including 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;	17,996.54	12,906.50
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 corporate 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	17,996.54	12,906.50

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.18 Details of financing of parent company products

There is no financing of the parent company products.

32.19 Single and Group Borrower Exposures

The exposure ceiling for single borrower limit (SBL) and group borrower limit (GBL) is 15% and 25% of owned funds respectively for lending and investment individually, with an additional allowance of 5% and 10% of owned funds for infrastructure sector exposure. The exposure ceiling limit for SBL and GBL is 25% and 40% of owned funds respectively in case of lending and investment taken together.

The company has not exceeded the above prudential exposure limits during the financial year.

32.20 Unsecured Advances

The company does not have any advances secured by an intangible asset.

32.21 Registration obtained from other financial sector regulators

The Company has also been granted a certificate of registration no. INP000002825 as "Portfolio Manager" by Securities Exchange Board of India ('SEBI').

32.22 Disclosure of Penalties imposed by RBI and other regulators

There is no penalty imposed by RBI and other regulators

32.23 Ratings

Commercial Paper rating is "CRISIL A1+" (Pronounced "CRISIL A one plus") and "[ICRA] A1+" (pronounced as ICRA A one plus). There was no migration of ratings during the year.

32.24 Remuneration of Directors

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company.

32.25 IndAS 110 – Consolidated Financial Statements (CFS)

The Company does not have any subsidiary and hence no consolidated financial statements required to be prepared under IndAS 110.

32.26 Provisions and Contingencies

Breakup of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		2021	2020
Provisions for depreciation on investment		94.53	41.15
Provision towards NPA		-	-
Provision made towards Income Tax (including deferred tax)		91.39	163.17
Other provision and Contingencies (with details)		-	-
Provision for Standard Assets		(0.38)	(61.41)

32.27 Draw Down from Reserves

The company has not drawn any amount from reserves during the financial year (previous year Nil).

32.28 Movement of NPAs

Particulars*		2021	2020
(i)	Net NPAs to Net advances (%)	-	-
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	119.23	119.23
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	Closing Balance	119.23	119.23
(iii)	Movement of Net NPAs		
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	Closing Balance	-	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	119.23	119.23
(b)	Additions during the year	-	-
(c)	Write-off/ write-back of excess provisions	-	-
(d)	Closing Balance	119.23	119.23

*Above disclosure includes FTTL and corresponding credit in 'Sundry Liability Account (interest capitalisation)'

32.29 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no joint ventures and subsidiaries abroad for current year as well as for the previous year.

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

There are no SPV sponsored for current year as well as for the previous year.

32.31 Disclosure of Complaints

Customer Complaints

(a)	No. of complaints pending at the beginning of the year	NIL
(b)	No. of complaints received during the year	NIL
(c)	No. of complaints redressed during the year	NIL
(d)	No. of complaints pending at the end of the year	NIL

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.32 Restructuring of Assets

S.No.	Asset Classification	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
		Details																				
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	1.00	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	1.00
		Amount outstanding	-	-	-	119.23	119.23	-	-	-	-	-	-	-	-	-	-	-	-	-	119.23	119.23
		Provision thereon	-	-	-	119.23	119.23	-	-	-	-	-	-	-	-	-	-	-	-	-	119.23	119.23
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write - offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	-	-	-	1.00	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	1.00
		Amount outstanding	-	-	-	119.23	119.23	-	-	-	-	-	-	-	-	-	-	-	-	-	119.23	119.23
		Provision thereon	-	-	-	119.23	119.23	-	-	-	-	-	-	-	-	-	-	-	-	-	119.23	119.23

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Deutsche Investments India Private Limited

Notes to financial statements (*Continued*)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (*Continued*)

32.33 Additional Non Banking Finance Company disclosures

S.No.	Particulars	Amount outstanding	Amount overdue
	<u>Liabilities side :</u>		
	(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a)	Debentures :		
	Secured (including Mark to market on debentures)	-	-
	Unsecured (other than falling within the meaning of public deposits*)	-	-
(b)	Deferred Credits	-	-
(c)	Term Loan	6.60	-
(d)	Inter- corporate loans & borrowings	3,062.40	-
(e)	Commercial Paper	11,094.76	-
(f)	Public Deposits (refer note 1 below)	-	-
(g)	Other Loans (CBLO)	-	-
	(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	-	-
	<u>Assets side :</u>		
	(1) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (net of NPA provision):	Amount outstanding	
(a)	Secured		19,337.57
(b)	Unsecured		-
	(2) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP 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 toward AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.34 Additional Non Banking Finance Company disclosures (Continued)

S.No.	Particulars	Amount outstanding
Assets side :		
(3) Break-up of Investments (net of provision) :		
<u>Current Investments</u>		
1	<u>Quoted :</u>	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	315.25
	(iii) Units of mutual funds	-
	(iv) Government Securities	482.95
	(v) Others	-
2	<u>Unquoted :</u>	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
<u>Long Term investments</u>		
1	<u>Quoted :</u>	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	680.00
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
2	<u>Unquoted :</u>	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
(4) Borrower group-wise classification of assets financed as in (2) and (3) above (refer note 2 below):		
Category		Amount net of NPA provisions
		Secured Unsecured Total
1	Related Parties	
(a)	Subsidiaries	- - -
(b)	Companies in the same group	- - -
(c)	Other related parties	- - -
2	Other than related parties	19,276.24 - 19,276.24
Total		

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.34 Additional Non Banking Finance Company disclosures (Continued)

S.No.Particulars			
<u>Assets side :</u>			
(5) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category		Market Value / Break up or fair value or NAV	Book Value
1 Related Parties (refer note 3 below)			
(a) Subsidiaries		-	-
(b) Companies in the same group		-	-
(c) Other related parties		-	-
2 Other than related parties			
(a) Quoted		1,478.20	1,478.20
(b) Unquoted		-	-
Total			
(6) Other information			Amount
Particulars			
(i) Gross Non-Performing Assets			119.23
(a) Related parties			-
(b) Other than related parties			119.23
(ii) Net Non-Performing Assets			
(a) Related parties			-
(b) Other than related parties			-
(iii) Assets acquired in satisfaction of debt			-
Notes:			
1 As defined in xix of paragraph 3 of chapter 2 of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (NFBC- Master Direction).			
2 Provisioning norms shall be applicable as prescribed in NFBC- Master Direction.			
3 All accounting Standards and Guidance Note issues by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and breakup value / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (4) above.			

Deutsche Investments India Private Limited

Notes to financial statements (Continued)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (Continued)

32.35 Long term contract

The Company has reviewed its long term contracts, as at the year end for which there are no material foreseeable losses. The Company did not have any outstanding derivative contracts as at the year end.

32.36 CSR Expenditure

- (a) Gross amount required to be spent by the company during the year Rs.10.42 (Previous year Rs. 11.20)
 (b) The details of amount spent during the respective year towards CSR are as under:

Sr. No	Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	On purposes other than (i) above	11.44	Nil	11.44	11.22	Nil	11.22

32.37 Listing of Commercial Papers

The Company was required to list its Commercial Papers (CP) on NSE as a result of the SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 which mandated mutual funds to invest in only listed debt instruments including CPs. The Company, thereafter, has also complied with the requirements issued by SEBI under the framework for listing of CPs vide circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 and as implemented by NSE.

The listing of CPs by the Company to comply with the SEBI requirements does not qualify the Company as a "Listed Company" (as defined under the Companies Act, 2013). The Company has procured legal opinion which confirms the above position.

32.38 Impact of COVID-19 pandemic

The novel coronavirus (COVID-19) pandemic continues to be an issue of concern across the globe including India. The global and Indian financial markets have experienced and may continue to experience significant volatility resulting from issues related to COVID-19. Developments around the COVID 19 disease in 2020 and 2021 so far suggest that that global and domestic economic growth is expected to continue to be negatively impacted by the spread of the disease and the resulting disruption of economic activity, which could impact the Company's performance. The extent to which the COVID-19 pandemic will impact the Company's performance depends on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and governmental response to mitigate its impact.

The Company continues to closely monitor the situation and in response to this health crisis, the Company has implemented various protocols and processes to execute its business continuity plans, help protect its employees and support its clients. The Company continues to meet its operating and financial obligations, has maintained required capital adequacy ratio and has adequate financial resources to run its business. The Management believes that it has taken into account all possible impacts of known events arising from the COVID 19 pandemic in the preparation of the financial information as at March 31st 2021. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and the Company will continue to monitor any material changes to future economic conditions.

Deutsche Investments India Private Limited

Notes to financial statements (*Continued*)

For the year ended March 31, 2021

(Currency: Indian Rupees in Millions)

32. Notes to accounts (*Continued*)

32.39 Disclosure Regarding Resolution Framework for COVID-19 related stress

Type of Borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of plan and implementation	Increase in provisions on account of the implementation of the resolution plan
	(A)	(B)	(C)	(D)	(E)
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

The Hon'ble Supreme Court of India pronounced its judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. And other connected matters on March 23, 2021. Pursuant to this judgement read with RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021 the Company is required to refund/adjust the 'interest on interest' charged to eligible borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020.

Company did not charge Interest on Interest to the eligible borrowers during the period i.e. March 1, 2020 to August 31, 2020, accordingly liability towards refund/adjustment is NIL.

32.40 Previous Comparatives

Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For **Deutsche Investments India Private Limited**

per **Sarvesh Warty**

Partner

Membership No: 121411

Atin Kumar Saha

Director

DIN:06901962

Sumit Gupta

Director

DIN:08532330

Sushil Bang

Company Secretary

ACS:A17943

Place: Mumbai

Date: June 22, 2021