



# **Altico Capital India Limited**

## **Annual Report 2020-21**

# ALTICO

Financing India's Future  
Directors Report  
FY 2020-21

To  
The Members of  
**Altico Capital India Limited (“Company” or “Altico”)**

Your Directors have pleasure in presenting the Seventeenth Annual Report of your Company along with the Audited Financial Statements for the Financial Year (“FY”) ended March 31, 2021.

**Financial Highlights:**

*(Amount in INR crore)*

<b>Particulars</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Total Income	2676.29	1138.45
Total Expenditure	3392.02	3289.99
<b>Profit Before Tax and exceptional items</b>	<b>(715.73)</b>	<b>(2151.54)</b>
Provision for Tax	-	74.15
<b>Profit for the year</b>	<b>(715.73)</b>	<b>(2225.69)</b>
<b>Other comprehensive Income (net of tax)</b>	<b>0.11</b>	<b>(0.26)</b>
<b>Total comprehensive Income for the period</b>	<b>(715.62)</b>	<b>(2225.95)</b>
<b>Earnings per share (Face Value INR 10)</b>		
Basic	(13.39)	(41.65)
Diluted	(13.39)	(41.65)

The shareholders are aware that consequent to annual rating review, on September 3, 2019, the Company’s long term credit rating was downgraded by one notch and the outlook changed from ‘Stable’ to ‘Negative’. This immediately triggered recall of some of the loan facilities, thereby causing an ALM mismatch resulting in Company’s inability to meet it’s debt obligations. Your Company took swift and prompt efforts for resolution of default by working along with the Lenders and other stakeholders. The Lenders appointed a steering committee as well as resolution advisor sought a resolution plan from the shareholders as well as called for bids from other interested bidders to participate in the Resolution process. All of the plans including the shareholders plan were put up to the steering committee and there were detailed deliberations amongst the steering committee and thereafter by all lenders on the various plans. The lenders, after much deliberation, unanimously approved the plan submitted by Ares SSG in March’20. Consequent to approval of the resolution plan submitted by ARES SSG, and the subsequent deliberations between the steering committee, shareholders and Ares SSG, your company entered into various agreements including Settlement Agreement, Assignment Agreement and Share Purchase Agreement among others in March 2021. By virtue of these agreements, all loan assets of the company have been sold to Ares SSG and its associates. Thereafter the sale proceeds are to be used to repay the lender dues as per the terms of the settlement agreement. Upon execution of the aforesaid definitive documents the default of the company as on September 12, 2019 has been cured. The first such distribution has been made to the lenders on 12<sup>th</sup> March 2021 and the second and final distribution is payable as per the terms of the aforesaid settlement agreement. The funds for the said balance payment has been kept aside in a separate escrow bank account maintained with the lead lender SBI.

As part of the Settlement Agreement, the company has since applied to Reserve Bank of India (RBI) for surrender of its Certificate of Registration. Company is yet to get a revert on its application.

The company also underwent an inspection from the regulators for the year ended March 2020 in March 2021, An IR and RAR report were sent by RBI seeking company responses. The said response has since been submitted.

For FY 2020-21, the Company's standalone total revenue was INR 2,676.29 crore as against INR 1,138.45 crore for FY 2019-20. The total expenditure for FY 2020-21 was INR 3,392.02 crore as against INR 3,289.99 crore for FY 2019-20. The total revenue for FY 2020-21 included a one-off item of INR 1,772.37 crore arising from write back of the principal amount of borrowings which are no longer payable. These have been determined by virtue of the settlement agreement dated March 2, 2021 entered into between the company, its shareholders and all its lenders. Further, as part of the resolution process the company has also entered into an assignment agreement for sale of all loan assets to Ares SSG entities, consequently resulting in a one-time loss of INR 2774.88 crore which is included in the expenditure for FY 2020-21. The resultant Loss before Tax for the year FY 2020-21 of INR 715.73 crore as against Net loss INR 2,151.54 crore in FY 2019-20. The corresponding Loss after Tax for the year was INR 715.73 crore as against INR 2,225.69 crore in FY 2019-20. The Net Owned Fund of the Company as at March 31, 2021 stood at INR 92.66 crore, registering a decrease of 88.56% over the previous year.

Since the company has incurred a loss of Rs. 715.73 crore for the year 2020-21, no amount is required to be transferred to Special Reserve fund pursuant to the requirement of Section 45-IC of the Reserve Bank of India ("RBI") Act, 1934.

#### **Capital Adequacy:**

The Company's capital adequacy ratio was 869.90% as on March 31, 2021, compared to 18.38% in the previous year which is significantly above the threshold limit of 15% as prescribed by RBI.

#### **IND-AS Reporting:**

The Company has adopted Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by RBI.

#### **DIVIDEND**

The Directors' do not recommend any dividend for FY 2020-21.

#### **RESOURCES & LIQUIDITY**

Company had raised INR Nil during FY 2020-21 and the debt outstanding as on 31st March 2020 was INR 295.16 Crores.

Since the company was undergoing a lender driven resolution process, and in furtherance to the advice received from RBI in their inspection report for the year ended March 2019 as well as the steering committee of lenders, there were no new borrowings nor any fresh disbursements made for the year ended March 31, 2021.

Consequent to the unanimous approval of the Ares SSG proposal by the lenders, company had sent an update to RBI on November 06, 2020 in relation to the lender driven resolution process outlining steps to be undertaken for the implementation of the said process.

Subsequently, the company has entered into a settlement agreement on March 02, 2021 amongst itself, the shareholders and the lenders and crystallized the lenders liability. The first distribution as per the terms of the settlement agreement have been made to all the lenders on 12<sup>th</sup> March 2021 and the balance amount is payable as at March 31, 2021 to be paid as per the terms of the aforesaid

agreement. The funds for the said balance payment has been kept aside in a separate escrow bank account maintained with the lead lender SBI

The company's debt continues to be rated as "D" till such time the entire debt is not paid.

#### DEBT EQUITY RATIO

The Company's Debt: Equity ratio as on March 31, 2021 was 3.13 : 1

#### CREDIT RATINGS

During the FY under review, Company's credit rating profile stood as under:

Instrument	Credit rating agency	As at March 31, 2021	As at March 31, 2020#
Bank Term Loan (Long Term)	India Ratings & Research Private Limited	D	D
NCD (Long Term)	India Ratings & Research Private Limited	D	D
Principal protected Market Linked Debenture	India Ratings & Research Private Limited	IND PP-MLD C emr	IND PP-MLD C emr

# Altico defaulted on its debt obligations on September 12, 2019. Accordingly, its credit ratings were downgraded during FY19-20.

#### STATE OF COMPANY'S AFFAIRS

The operating and financial performance of the Company has been covered under the Management Discussion and Analysis Report which forms part of this Report.

As mentioned earlier, the lenders have unanimously approved the resolution plan submitted by ARES SSG and the Settlement Agreement pursuant to the same has been signed between the company, its shareholders and all lenders as on March 02, 2021.

The first tranche of the Settlement Amount has been paid to the lenders on 12<sup>th</sup> March 2021 in accordance with the Settlement Agreement and the balance amount is payable as at March 31, 2021 to be paid as per the terms of the aforesaid agreement. The funds for the said balance payment have been kept aside in a separate escrow bank account maintained with the lead lender SBI.

Consequent to the RBI letter dated November 06, 2020 and the terms under the aforesaid settlement agreement, consequent to payment of the first tranche to the lenders, the Company had applied for surrendering the Certificate of Registration ('CoR') to RBI on March 19, 2021. Company is yet to get a revert on its application.

#### PROPOSED REVIVAL STEPS TO BE TAKEN BY THE COMPANY

As mentioned earlier, the lenders have unanimously approved the resolution plan submitted by ARES SSG and the Settlement Agreement pursuant to the same has been signed between the company, its shareholders and all lenders as on March 02, 2021.

The first tranche of the Settlement Amount has been paid to the lenders on 12<sup>th</sup> March 2021 in accordance with the Settlement Agreement and the balance amount is payable as at March 31, 2021 to be paid as per the terms of the aforesaid agreement. The funds for the said balance payment has been kept aside in a separate escrow bank account maintained with the lead lender SBI.

Consequent to the RBI letter dated November 06, 2020 and the terms under the aforesaid settlement agreement, consequent to payment of the first tranche to the lenders, the Company had applied for surrendering the Certificate of Registration ('CoR') to RBI on March 19, 2021. Company is yet to get a revert on its application.

## SHARE CAPITAL

During the year under review, the Share Capital of the Company has remained unchanged.

## DEBENTURE TRUSTEE

Vistra ITCL (India) Limited is the Debenture Trustee of the Company.

## DIRECTORSHIP

### a) Appointments' & Cessation

During the year under review, the changes undertaken in the composition of the Board of Directors, who are representatives of the shareholders, are summarised below:

Name of the Director	Designation	Nature of Change	Date of Appointment / Cessation
Mr. Rahul Merchant	Independent Director	Cessation	01.09.2020
Mr. Ali Haroon	Director	Cessation	08.09.2020
Ms. Subhashree Dutta	Director	Cessation	08.09.2020
Mr. Amit Gupta	Director	Cessation	09.09.2020
Mr. Hitesh Gupta	Additional Director	Cessation	09.09.2020
Mr. Robert Petty	Director	Cessation	09.09.2020
Mr. Steve Marzo	Independent Director	Cessation	09.09.2020
Dr. Yao Chye Chiang	Alternate Director- Mr. Robert Petty	Cessation	09.09.2020
Mr. Atit Kumar Soni	Additional Nominee Non-Executive Director	Appointment	13.09.2020
Ms. Ameeta Trehan	Additional Nominee Non-Executive Director	Appointment	13.09.2020
Mr. Sharadkumar Bhatia	Additional Nominee Non-Executive Director	Appointment	13.09.2020
Mr. Atit Kumar Soni	Nominee Non-executive Director	Change in designation	12.11.2020
Ms. Ameeta Trehan	Nominee Non-executive Director	Change in designation	12.11.2020
Mr. Sharadkumar Bhatia	Nominee Non-executive Director	Change in designation	12.11.2020

## **b) Director(s) Disclosure/Board 's Independence**

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the RBI and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

## **c) Independent Director(s):**

The Company had received necessary declarations from each erstwhile Independent Director under Section 149(7) of the Act, confirming that he/she meets the criteria of independence laid down in Section 149 (6) of the Act. During the year under review, all Independent Directors had resigned from the Board in September, 2020.

## **KEY MANAGERIAL PERSONNEL**

During the year under review, no changes undertaken in the composition of Key Managerial Personnel ("KMP"). The position of the CEO and Company secretary continues to remain vacant. In view of its present position, and despite its efforts your Company continues to face challenges in recruiting suitable talent for appointment of Independent Directors to its Board of Directors and other key managerial positions.

## **ANNUAL EVALUATION OF THE BOARD**

During the year under review, all the existing Directors and Independent Directors had resigned in the month of September, 2020 and all the existing Committees automatically got dissolved. Three new Directors viz. Ms Ameeta Trehan, Mr. Atit Soni and Mr. Sharadkumar Bhatia were appointed as Additional Directors on September 13, 21. The three new Directors being nominee Directors, certain Committees could not be constituted and therefore the Process of Annual Evaluation of the Board and its committees could not be carried out.

## **TRADEMARK REGISTRATION**

The Company has following registered trademarks under Class 36 of Trademark Act, 1999:

- a) the word mark 'Altico Capital'
- b) the logo of 'Altico' (with raised 'I')
- c) the logo with 'Altico' with the phrase 'Financing India's Future'

The Company also extends the use of the aforesaid trademarks by its Subsidiary i.e. "Altico Housing Finance India Limited."

## **HUMAN RESOURCE MANAGEMENT**

The year under review has been a challenging year for the NBFC and the Real Estate Sector. The Human Resources has evolved its strategy considering the external environment. The Company has over the years built a strong organisation with highly qualified and experienced team managers and members, creating a highly engaged workplace even in these difficult and challenging times. As on March 31, 2021 the Company had 31 employees on its payroll.

## **SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANIES**

A wholly owned subsidiary viz. "Altico Housing Finance India Limited" ("AHFIL") was incorporated on November 12, 2018. The Company did not have the certificate from NHB. Consequent to the

Resolution Plan of the Company, the Board felt there was no requirement for the subsidiary to continue and hence the Boards of both the parent and the subsidiary entity approved the proposal for Strike off of AHFIL. AHFIL has since filed an application for Strike Off in e-form STK 2 on March 31, 2021 with the Registrar of Companies ("ROC") and approval from the ROC is yet to be received. Since there is no subsidiary existing there is no requirement for preparation of consolidated annual accounts.

The Company does not have any Joint Venture or Associate Companies in accordance with the provisions of the Act, and hence, disclosure regarding the same is not applicable.

However, Fiera Capital Investment Advisors Private Limited (*formerly known as Clearwater Investment Advisors India Private Limited*) is an Associate Company as per IND AS 24 and the same is disclosed in the notes to Accounts in the standalone audited financial statements.

#### **AUDITED FINANCIAL STATEMENTS**

In terms of Section 129 of the Act read with rules framed thereunder, annual audited financial statements of the Company shall be laid before the ensuing Annual General Meeting of the Company for the Financial Year ended March 31, 2021. The annual audited financial statements are also available on the website of the Company at [www.alticocap.com/financials](http://www.alticocap.com/financials).

#### **PUBLIC DEPOSITS**

The Company being a "Non-Deposit Accepting Non-Banking Financial Company" provisions of Section 73 and Section 74 of the Act read with Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

During the year under review, the Company has not accepted any fixed deposits including from the public. and shall not accept any deposits from the public without obtaining prior approval from the Reserve Bank of India.

#### **POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

In terms of Section 178 of the Act read with rules framed thereunder and other applicable law, the Board has adopted, 'Policy on Selection Criteria/ "Fit & Proper" Person Criteria' for appointment of Directors and Senior Management Personnel of the Company. Details of the said policy is available on the website of the Company at [www.alticocap.com/policies](http://www.alticocap.com/policies).

#### **ANNUAL RETURN**

In accordance with Section 134(3)(a) and Section 92(3) of the Act, the annual return is available on the website of the Company at [www.alticocap.com/financials](http://www.alticocap.com/financials).

#### **SECRETARIAL STANDARDS**

The Company complies with the applicable Secretarial Standards with respect to the Board Meetings & General Meetings.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AND POLICY ON RELATED PARTY TRANSACTIONS**

In terms of section 188 of the Act there were no Related Party Transactions (RPTs), entered into by the Company during the FY under review. However, a statement showing the disclosure with related party as per Ind AS 24 is set out in Note No. 37 to the standalone audited financial statements.

The Company has in place RPT Policy as required under the applicable laws. Details of the RPT policy is available on the website of the Company [www.alticocap.com/policies](http://www.alticocap.com/policies).

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

In terms of Section 186(11) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, the provisions of Section 186 in respect of loans made, guarantees given or securities provided by the Company are not applicable to the Company.

For details of investments of the Company, please refer Note No. 7 of the annual audited financial statements of the Company for the Financial Year ended March 31, 2021.

#### **INTERNAL CONTROL/INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company's statutory auditors in their report on internal financial control over financials reporting, have referred to material weakness with specific reference to compliance with applicable laws regarding KMP & CRO. In response, the company has highlighted to the auditors the challenges faced by your Company in this regard and that the KMP & CRO positions (if required) are proposed to be suitably filled, consequent to the envisaged change in control.

#### **RISK MANAGEMENT**

The Company is classified as a systemically important non-deposit accepting non-banking financial company and is in compliance with all applicable laws and regulations. The Company continues to adhere to the highest standards of risk management and governance through ongoing investments in people, policies and processes. The Company has in place well defined underwriting standards, robust lending and related documentation procedures and is vigilant and prudent in its ongoing loan management. The Company has in place Enterprise Risk Management Committee within the Company to strengthen the Risk Management processes at an enterprise level. The said Committee was dissolved due to resignation of all the existing Directors with effect from September 9, 2020.

#### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has established a vigil mechanism for persons connected with the Company to report their genuine concerns and provide for adequate safeguards against victimization of the persons who use such mechanism. Details of the Whistle Blower policy is available on the website of the Company at [www.alticocap.com/policies](http://www.alticocap.com/policies).

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

The particulars regarding foreign exchange earnings and outgo appear as separate items in the notes to the standalone audited financial statements.

Since, the Company does not own or carry out any manufacturing activity, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable. However, as a prudent practice the Company ensures optimum utilization of energy & use of natural resources by eliminating wastage of such resources.

Accordingly, the details of conservation of energy, technology absorption and foreign exchange earnings and outgo is marked and annexed as Annexure A to this report.

## REMUNERATION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES

### Independent Non-Executive Directors (“INEDs”):

Post resignation of all Independent Directors in September 2020, while the efforts for such appoints are underway, given the current situation no Independent Directors have been appointed till date. Consequently, no sitting fees has been paid to any Independent Directors.

### Particulars of remuneration to Employees:

In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the registered office of the Company during working hours for a period of 21 days before the Annual General Meeting and will be made available to any shareholder on request.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is marked and annexed as Annexure B to this Report.

In terms of Section 178 of the Act, the Board of Directors adopted a Remuneration Policy inter-alia setting out the criteria for deciding remuneration of Executive Directors, Non-Executive Directors, senior management and other employees of the Company. Details of the Remuneration Policy is available on the website of the Company at [www.alticocap.com/policies](http://www.alticocap.com/policies)

## EMPLOYEE STOCK OPTION SCHEME

The Company believes that its success is largely determined by the quality of its workforce and their commitment towards achieving the goals of the Company. In order to enable the employees of the Company to participate in the future growth and success of the Company, the Company has in place “Altico Capital India Limited Stock Based Incentive Plan 2015”. The said plan continue to exist as on date and the current shareholders have left the choice of continuation of the said plan to the incoming shareholders.

In terms of Section 62 of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the disclosures for FY ended on March 31, 2021 is marked and annexed as Annexure D to this report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the CSR regulations, given the loss for the last two years, Altico is not required to undertake any CSR spending for FY 2020-2021. The existing projects where the company has invested are currently being monitored.

Annual Report on CSR activities as prescribed under section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is marked as an Annexure C to this Report.

During the course of the said year, the Company has monitored the CSR projects that were invested into in FY 2018-19.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report forms part of this Report.

## **AUDITORS**

### **STATUTORY AUDITORS AND THEIR REPORT**

M/s MSKA & Associates Chartered Accountants, Mumbai, (ICAI Firm Registration No. 105047W) were appointed as the Statutory Auditors of the Company to fill the casual vacancy M/s. Price Waterhouse Chartered Accountants LLP hold office for a period of 5 years from the AGM for the year 2018-19 and upto the AGM date for the year 2023-24.

The Statutory Auditors made a presentation to the Board and issued an unmodified audit report.

### **SECRETARIAL AUDITORS AND THEIR REPORT**

Pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Aashish K Bhatt & Associates, Practising Company Secretaries, to undertake the secretarial audit of the Company.

The Company has annexed to this Report, Annexure E - Secretarial Audit Report given by the Secretarial Auditor. We have commented on the said secretarial report as follows:

Given the current situation, the Company is not in compliance with certain provisions of the Companies Act, SEBI ( Listing Obligations and Disclosure Requirements), Regulations, 2015, and the master Directions of RBI as applicable to NBFC ND SI and amended from time to time, relating to non-appointment of Chief Executive Officer and Company Secretary, non-filing of Financial Statements of the Company within the stipulated timeframe, non-formation of mandatory Committees etc as applicable to Public Listed Company.

Consequent to the change of control, the Company and shall file necessary applications with the regulators for condonation of such non compliances.

### **INTERNAL AUDITORS AND THEIR REPORT**

Pursuant to the requirements of Section 138 of the Act and rules made thereunder, M/s Aneja & Associates, Chartered Accountants are the Internal Auditors of the Company. The Internal Audit reports are reviewed annually by the Board.

The Internal Auditors made presentation before the Board.

### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review none of the Auditors have not reported any instance of frauds committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Act details of which needs to be mentioned in this Report.

## **DISCLOSURES**

Your Directors wish to state the following additional disclosures with respect to the applicable laws:

- (i) The Company has not issued any equity shares with differential voting rights as to dividend, voting or otherwise.
- (ii) The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

## **CORPORATE GOVERNANCE**

The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through its transparent practices and processes. The Company is accountable to its customers, government, regulatory authorities and other stakeholders. The Company's activities are carried out in accordance with good corporate governance practices and striving towards enhancing its corporate governance framework. The Company believes that good Corporate Governance practices enables the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders.

### **a) Board of Directors**

During the year under review, all the existing Directors and Independent Directors had resigned with effect from September, 2020.

At present, the Board comprises 3 (three) Non-Executive Directors.

#### **Composition & Board Diversity:**

<b>S.no.</b>	<b>Name of the Director(s)</b>	<b>Category</b>
1.	Mr. Atit Kumar Soni	Non-Executive Director
2.	Ms. Ameeta Trehan	Non-Executive Director
3.	Mr. Sharadkumar Bhatia	Non-Executive Director

#### **Selection, Appointment & Tenure of Directors:**

The Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law. Non-executive Directors are liable to retire by rotation and are eligible for re-appointment, unless otherwise specifically provided under the Articles of Association or under any statute.

#### **Board Meetings:**

The Board met 7 times during the year and the maximum interval between two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held whenever necessary. The Directors are also given an option of attending the board meeting through video conferencing. Agenda papers containing all necessary information/documents are made available to the Board/Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The Board also takes decisions by circular resolutions which are noted by the Board at their subsequent meeting.

#### **Attendance at the Board Meetings:**



10	Ameeta Trehan	-	-	-	-	-	-	-	-
11	Sharad Kumar Bhatia	-	-	-	-	-	-	-	-
12	Kunal Choksi	-	-	-	-	-	-	-	M
13	Dhruv Jain	-	-	-	-	-	M	M	-
14	Amit Pachisia	-	-	-	-	-	-	M	-

C- Chairman, M- Members

The Alternate Directors attended the Committee Meetings as a Member / Observer in the event the Original Director was unable to attend the said Meeting. The Committees also take decisions by way of circular resolution which is noted by the respective Committee at its subsequent meeting. The minutes of the meetings of all Committees along with summary of key decision/discussion taken at each Committee, are placed before the Board for discussion / noting /approval.

#### **Audit Committee**

The composition of the Audit Committee is in accordance with Section 177 of the Act with Independent Directors forming majority. The Chairman of the Audit Committee is Independent Director. All the Members of the Audit Committee possess sound knowledge on accounts, taxation, internal controls etc.

During the year under review, all the Existing Directors and Independent Directors had resigned with effect from September, 2020, the Audit Committee was dissolved and could not be reconstituted thereafter in the absence of any Independent Directors.

Below are the details of meetings held and attendance of the members, during the year under review:

#### **Attendance at the Audit Committee Meetings:**

Sr. No.	Date of Meeting	Robert Dean Petty	Stephen Jeffrey Marzo	Yao Chye Chiang	Rahul Narandas Merchant
1	28.06.2020	LOA	VC	-	VC
2	25.08.2020	VC	VC	-	VC
3	26.08.2020	VC	VC	VC	VC
	<b>TOTAL</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>3</b>

#### **Corporate Social Responsibility Committee (CSR)**

The CSR Committee has been constituted in accordance with Section 135 of the Act. The Company through its CSR project(s) /programme(s) aims to enhance value creation in society and communities in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate citizen. The Company's CSR projects targeted 3 key cause areas:

- Education
- Health
- WASH

The CSR Committee was dissolved as all the existing Directors of the Company had resigned with effect from September, 2020 and could not be reconstituted thereafter in the absence of any Independent Directors.

Below are the details of meetings held and attendance of the members, during the year under review:

**Attendance at the CSR Meetings:**

Sr. No.	Date of Meeting	Subhashree Dutta	Stephen Jeffrey Marzo	Hitesh Gupta	Ali Mohammad Haroon
1	12.05.2020	VC	VC	LOA	LOA
	<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

P - Personally attended, VC-Video Conference, LOA-Leave of absence, NA-Not Applicable, A-Absent

**Nomination and Remuneration Committee (NRC)**

The NRC Committee was constituted in accordance with Section 178 of the Act. The NRC Committee focused on review of initiatives relating to talent acquisition, succession planning, employee compensation, promotions and long-term incentive plans.

During the year under review, the NRC Committee was dissolved as all the existing Directors had resigned with effect from September, 2020 and could not be reconstituted thereafter in the absence of any Independent Directors.

**Finance Committee (FC)**

The FC has been constituted under Section 179 of the Act to exercise powers relating to borrowing of funds on behalf of the Company.

During the year under review, the Finance Committee was dissolved as all the existing Directors had resigned with effect from September, 2020 and could not be reconstituted thereafter in the absence of any Independent Directors.

**Credit Committee (CC)**

The CC has been constituted under Section 179 of the Act to exercise the powers of granting loans in the ordinary course of its business.

During the year, the Credit Committee was dissolved as all the existing Directors had resigned with effect from September, 2020 and could not be reconstituted thereafter in the absence of any Independent Directors.

**Asset Liability Management Committee (ALCO)**

The ALCO has been constituted in accordance with the Master Direction-Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time. ALCO monitors, assesses and manages the balance sheet (including off-balance items) in order to achieve the optimal return on capital employed for the shareholders, to retain appropriate liquidity and to protect the Company from any asset liability management risks.

During the year under review, the ALCO Committee was dissolved as all the existing Directors of the Company had resigned with effect from September, 2020 and could not be reconstituted thereafter in

the absence of any Independent Directors. Below are the details of meetings held and attendance of the members, during the year under review:

**Attendance at the ALCO Meetings:**

Sr. No.	Date of Meeting	Dhruv Jain	Stephen Jeffrey Marzo	Yao Chye Chiang*	Robert Petty
1	18.06.2020	VC	VC	VC	-
	<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>

P - Personally attended, VC-Video Conference, LOA-Leave of absence, NA-Not Applicable, A-Absent

**Risk Committee**

The Risk Committee has been constituted in accordance with Master Direction-Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time. Risk Committee identifies, assesses, monitors and reviews risks across the enterprise through integrated risk management strategies, systems and mechanisms. In doing so, the Risk Committee assists the Board in balancing risks and rewards of the business.

The Risk Committee was dissolved as all the existing Directors of the Company had resigned with effect from September, 2020 and could not be reconstituted thereafter in the absence of any Independent Directors. Below are the details of meetings held and attendance of the members, during the year under review:

**Attendance at the Risk Meetings:**

Sr. No.	Date of Meeting	Rahul Narandas Merchant	Stephen Jeffrey Marzo	Dhruv Jain	Amit Pachisia
1	22.04.2020	VC	VC	VC	VC
	<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

P - Personally attended, VC-Video Conference, LOA-Leave of absence, NA-Not Applicable, A-Absent

**IT Strategy Committee (IT)**

The IT Committee has been constituted in accordance with the Master Directions – Information Technology Framework for NBFC Sector issued by the Reserve Bank of India on June 08, 2017 as may be amended from time to time. The IT Committee is responsible for providing strategic inputs to the IT Steering Committee and review IT projects undertaken and / or review proposed IT projects. The IT Committee also reviews these projects, plan (framework) and IT budget in sync with the overall organization’s business strategy, priority setting, resource allocation and project tracking and IT Governance.

During the year under review, the IT Committee was dissolved as all the existing Directors of the Company had resigned with effect from September,2020 and could not be reconstituted thereafter in the absence of any Independent Directors. Below are the details of meetings held and attendance of the members, during the year under review:

**Attendance at the IT Meetings:**

Sr. No.	Date of Meeting	Rahul Merchant	Kunal Choksi	Yao Chye Chiang	Robert Petty
1	28.08.2020	VC	VC	VC	VC
	<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

P - Personally attended, VC-Video Conference, LOA-Leave of absence, NA-Not Applicable, A-Absent

**Internal Committee (IC)**

The IC has been constituted in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act") The objective of the IC is to prevent, prohibit and redress sexual harassment of women at workplace.

During the year under review, the IC was re-constituted vide Board Resolution dated June 7, 2021 with Ms. Sonal Shah, Ms. Megha Gupta, Ms. Rajeshwari Ramaswamy, Mr. Dhruv Jain and Dr. Anagha Sarpotdar as its Members.

**Composition of the IC:**

Sr. No.	Name of the Members	Designation	Status
1.	Ms. Sonal Shah	Managing Director – Chief Human Resource Officer	Presiding Officer
2.	Ms. Megha Gupta	Director – Legal	Member
3.	Ms. Rajeshwari Ramaswamy	Director – Finance	Member
4.	Mr. Dhruv Jain	Chief Financial Officer	Member
5	Dr. Anagha Sarpotdar	PhD, Social Sciences	External Member

The terms of reference of the IC inter-alia includes:

- a. conducting an inquiry into complaints made by any aggrieved at the workplace;
- b. arriving at a conclusion as to whether the allegation against whom the complaint has been filed was proved or not; and
- c. take necessary actions to resolve the complaint(s).

The Board confirms that during the year under review, the Company did not receive any sexual harassment complaints.

The Company hosted the mandatory IC meeting on 2<sup>nd</sup> December, 2020 wherein all members were present on VC

**c) Policies / Code.**

In terms of the RBI Regulations, the applicable provisions of the Act and the applicable regulations issued by the Securities and Exchange Board of India, the Board of Directors has adopted several policies/guidelines for the effective governance of the Company which includes the following:



These policies are being reviewed from time to time.

## DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of the provisions of section 134 (5) of the Act, the Nominee Non-executive Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They have ensured that such accounting policies are selected and they have been applied consistently to make judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended as on that date;

- They have ensured proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have ensured that the annual accounts for FY ended March 31, 2021, are prepared on a going concern basis;
- They have ensured that the internal financial controls are being followed by the Company and have noted observations made by the Statutory Auditors regarding certain internal financial controls and will seek to address the same;
- They have ensured proper systems are adhered to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **MATERIAL ADVERSE ORDERS, IF ANY**

RBI in its inspection Report ('IR') and Risk Assessment Report ('RAR') on the financial position of the Company for the year ended March 2020, had focused on Assets, Management, liquidity and systems and control. RBI sent a letter along with annexures via email on 29<sup>th</sup> April and asked for the responses in three segments in the below stated manner:

- Instances of non-compliance with regulatory guidelines / directives brought out in the report may be rectified forthwith and a certificate to that effect may be submitted within 45 days from the date of this letter.
- The compliance to majority of the observations made in RAR and IR should be furnished within sixty days from the date of receipt of this letter.
- For remaining observations, compliance should be furnished within 90 days from the date of receipt of this letter.

The company has provided a point wise consolidated response vide a cover letter and annexures to RBI's IR and RAR on June 9, 2021. The company has not yet got a revert from RBI.

During the year, consequent to the signing of Settlement Agreement and Assignment Agreement respectively the Company has sold all of its loan assets and substantially paid off its liabilities. The remaining payments to the lenders will be made as per the settlement terms.

Consequently and as informed to RBI via letter dated November 06, 2020, the Company had applied for surrendering the Certificate of Registration ('CoR') to RBI on March 19, 2021. Company has not yet received any revert from RBI to its application.

There are no significant and material orders passed by the RBI or the Ministry of Corporate Affairs or courts or Tribunals or other Regulatory / Statutory authorities which will have an impact on the going concern status of the Company and Company's operations in future.

#### **RBI GUIDELINES**

The Company has constituted various committees in compliance with applicable regulations/directions issued by the RBI (as amended from time to time). These Committees primarily measure, monitor, report and control risks of the Company. The Company always aims to operate in compliance with the applicable laws including RBI regulations and deploys its best efforts towards achieving the same. The

Company to the best knowledge of its management has complied with all applicable regulations and guidelines issued by the applicable authorities including the RBI.

As required by RBI under the Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the management of the Company, in addition to this report, have prepared a management discussion analysis report which forms part of this report.

#### **ACKNOWLEDGEMENTS**

The Board wishes to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels and the support extended by various stakeholders of the Company. Effective business relationships with regulatory authorities and clients remained good during the year under review.

The Board is also thankful to its Lenders, the Reserve Bank of India and other regulatory authorities for their cooperation, guidance and support extended by them to the Company in its endeavours during this difficult period.

**For and on behalf of the Board of Directors of  
Altico Capital India Limited**

**Ameeta Trehan**  
Non- Executive Director  
(DIN: 07087510)

**Atit Soni**  
Non- Executive Director  
(DIN: 02788461)

**Sharadkumar Bhatia**  
Non- Executive Director  
(DIN: 07327383)

**Place: Mumbai**  
**Date: June 23, 2021**

## **Annexure 1 to Directors' Report**

### **ANNEXURE A**

#### **DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **I. CONSERVATION OF ENERGY**

- (i) the steps taken or impact on conservation of energy- Not applicable
- (ii) the steps taken by the Company for utilising alternate sources of energy- Not applicable
- (iii) the capital investment on energy conservation equipment- Not applicable

##### **II. TECHNOLOGY ABSORPTION**

- (i) the effort made towards technology absorption- Not applicable
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution- Not applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not applicable
- (iv) the expenditure incurred on Research and Development: Not applicable

The Company is not a manufacturing Company; however, energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise energy. The Company is constantly active in harnessing and tapping the latest and best technology in the industry, wherever possible.

##### **III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year ended March 31, 2021, the Company has spent amounts of INR 3.5 Lacs (equivalent USD 5,470 million) in foreign exchange. The Company does not have any earnings in foreign exchange.

**For and on behalf of the Board of Directors of  
Altico Capital India Limited**

**Ameeta Trehan**  
Non- Executive Director  
(DIN: 07087510)

**Atit Soni**  
Non- Executive Director  
(DIN: 02788461)

**Sharadkumar Bhatia**  
Non- Executive Director  
(DIN: 07327383)

**Place: Mumbai**  
**Date: June 23, 2021**

**ANNEXURE B**

**Disclosures in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2021**

Sr. No.	Requirement		Disclosure
1	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year	<b>Name of the Director</b> 1. Mr. Stephen Marzo 2. Mr. Rahul Merchant 3. Mr. Robert Petty 4. Mr. Amit Gupta 5. Mr. Ali Haroon 6. Ms. Subhashree Dutta 7. Dr. Yao Chye Chiang 8. Mr. Hitesh Gupta 9. Ms. Ameeta trehan 10. Mr. Atit Soni 11. Mr. Sharadkumar Bhatia	N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A.
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	<b>Name of Director / CEO /CFO/CS</b> 1. Mr. Stephen Marzo 2. Mr. Rahul Merchant 3. Mr. Robert Petty 4. Mr. Amit Gupta 5. Mr. Ali Haroon 6. Ms. Subhashree Dutta 7. Dr. Yao Chye Chiang 8. Mr. Hitesh Gupta 9. Ms. Ameeta trehan 10. Mr. Atit Soni 11. Mr. Sharadkumar Bhatia 12. Mr. Dhruv Jain (CFO)	<b>% increase in their remuneration during the Financial Year ended 2021</b> N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A. N.A.
3	the percentage increase in the median remuneration of employees in the Financial Year	8.8% <i>(Note: there has been no change in employee's salary, the increase in median is due to the resignations.)</i>	
4	the number of permanent employees on the rolls of company	31	
5	Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last Financial Year was – Nil whereas the average percentile increase in the managerial remuneration was -Nil		
6	Affirmation that the remuneration is as per the remuneration policy of the company		It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

**For and on behalf of the Board of Directors of  
Altico Capital India Limited**

**Ameeta Trehan**  
Non- Executive Director  
(DIN: 07087510)

**Atit Soni**  
Non- Executive Director  
(DIN: 02788461)

**Sharadkumar Bhatia**  
Non- Executive Director  
(DIN: 07327383)

**Place: Mumbai**  
**Date: June 23, 2021**

## ANNEXURE C

### ANNUAL REPORT ON CSR ACTIVITIES

[As prescribed under section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1) A brief outline of the Company's CSR policy are:**

- (a) Education;
- (b) Health & Sanitation;
- (c) Self-Help Groups empowering women;
- (d) Cleanliness & Hygiene programme and
- (e) such other activities (permissible under the Companies Act, 2013) as may be recommended by the CSR Committee and approved by the Board.

**2) Composition of the CSR Committee\*:**

Sr. No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committees held during the year	Number of meetings of CSR Committees attended during the year
1.	Mr. Stephen Marzo	(Independent Director and Chairman)	1	1
2.	Ms. Subhashree Dutta	Director	1	1
3.	Mr. Ali Haroon / Mr. Hitesh Gupta	Director	1	-

\* The CSR Committee was dissolved as all the existing Directors of the Company had resigned with effect from September, 2020

- 3) Weblink where CSR policy and CSR projects approved by the Board are disclosed on the website of the Company: [www.alticocap.com/policy](http://www.alticocap.com/policy).
- 4) Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- 5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any: N.A.

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Years (in Rs)	Amount required to be setoff for the Financial Year, if any (in Rs)
1.			
2.			
3.			
	<b>Total</b>		

- 6) Average net profit of the Company as per Section 135(5): (882.94) Cr.

- 7) (a) Two percent of average net profit of the company as per section 135(5): N.A.  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: N.A.  
 (c) Amount required to be set off for the Financial Year, if any: N.A.  
 (d) Total CSR obligation for the Financial Year (7a+7b- 7c): N.A.

- 8) a) CSR amount spent or unspent for the Financial Year: N.A.

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

- (b) Details of CSR amount spent against ongoing projects for the Financial Year: N.A.

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

- (c) Details of CSR amount spent against other than ongoing projects for the Financial Year: N.A.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number

- (d) Amount spent in Administrative Overheads: N.A.

- (e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): N.A.

(g) Excess amount for set off, if any: N.A.

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	FY 19-20	8,23,10,500/-	Admin cost = 2389620/- (towards Samhita & employee engagements, mobilization, camps, etc.) – already utilized in FY 19-20	NA	NA	NA	8,23,10,500/-

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s): N.A.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial	Cumulative amount spent at the end of reporting Financial Year. (in	Status of the project - Completed /Ongoing.

						Year (in Rs).	Rs.)	

10. In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details). N.A.

(a) Date of creation or acquisition of the capital asset(s). N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.

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

For and on behalf of the Board of Directors of  
Altico Capital India Limited

Ameeta Trehan  
Non- Executive Director  
(DIN: 07087510)

Atit Soni  
Non- Executive Director  
(DIN: 02788461)

Sharadkumar Bhatia  
Non- Executive Director  
(DIN: 07327383)

Place: Mumbai  
Date: June 23, 2021

## Annexure D

Disclosure under the Altico Capital India Limited Stock Based Incentive Plan 2015 pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on Financial Year ended March 31, 2021

Particulars	Disclosure as per the Altico Capital India Limited Stock Based Incentive Plan 2015
Number of options granted	2,08,76,594
Number of options vested	87,12,392
Number of options exercised	NIL
Total number of shares arising as a result of exercise of options	NIL
Number of options lapsed / cancelled	96,82,615
Exercise Price	INR 39.50 to 74.10
Variation of terms of options	NIL
Money realised by the exercise of options	NIL
Total number of options in force	1,11,93,979

Details of options granted to Key Managerial Personnel (“KMP”) under the Altico Capital India Limited Stock Based Incentive Plan 2015

Sr. No.	Name of the KMP	Designation	Options Granted (as on March 31, 2021)
1	Dhruv Jain	Chief Financial Officer	12,75,416

Details of employees who received a grant of options in any one year of options amounting to five per cent or more of options granted during the year 2020-21.

Sr. No.	Name of the Employee	Designation	Options Granted
1	-	-	-

Identified employees who were granted options during any one year equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Sr. No.	Name of the Employee	Designation	Options Granted
1	-	-	-

For and on behalf of the Board of Directors of  
Altico Capital India Limited

Ameeta Trehan  
Non- Executive Director  
(DIN: 07087510)

Atit Soni  
Non- Executive Director  
(DIN: 02788461)

Sharadkumar Bhatia  
Non- Executive Director  
(DIN: 07327383)

Place: Mumbai  
Date: June 23, 2021

**Disclosures pursuant to Regulation 53(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2021**

**Related Party Disclosure**

<b>Sr. No.</b>	<b>In the accounts of</b>	<b>Disclosures of amounts at the year end and the maximum amount of loans / advances / investments outstanding during the year</b>	<b>Details</b>
1	Holding Company  India Credit Pte. Ltd.	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount</li> <li>• Loans and advances in the nature of loans to associates by name and amount</li> <li>• Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount</li> </ul>	--
2	Subsidiary Company  Altico Housing Finance India Limited	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to parent by name and amount</li> <li>• Loans and advances in the nature of loans to associates by name and amount</li> <li>• Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount</li> </ul>	--
3	Holding Company  India Credit Pte. Ltd.	Investment by the loanee in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan	--

**For and on behalf of the Board of Directors of  
Altico Capital India Limited**

**Ameeta Trehan**  
Non- Executive Director  
(DIN: 07087510)

**Atit Soni**  
Non- Executive Director  
(DIN: 02788461)

**Sharadkumar Bhatia**  
Non- Executive Director  
(DIN: 07327383)

**Place: Mumbai**  
**Date: June 23, 2021**

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the financial year ended March 31, 2021**

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

**To,**  
**The Members,**  
**Altico Capital India Limited**  
21, 2nd Floor, 5 North Avenue, Maker Maxity,  
Bandra Kurla Complex, Bandra East, Mumbai- 400051.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Altico Capital India Limited (formerly known as "Altico Capital India Private Limited") (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment and External Commercial Borrowings. No overseas Direct Investment has been perused by the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not Applicable;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 except for the following
- *Maintenance of database as required under Chapter II (5) due to economic crisis, company was not able to implement the executed agreement*
  - *Maintenance of list of Designated Persons, Other Connected persons, Senior Managerial Personnel, Designated Employees and their relatives duly approved by Board;*

The Company has not closed trading window during the period under review as the trading window is suspended due to procedural requirement post default;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not Applicable;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not Applicable;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *except for*
- *SEBI Circular dated 23.06.2020 w.r.t. Operational framework for transactions in defaulted debt securities post maturity date/ redemption;*
  - *Delay in submission of Statement of Debt for half year ended 31.03.2020 w.r.t. SEBI Circular dated 30.06.2017 - Specifications related to International Securities Identification Number (ISINs) for debt securities;*
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable; and
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable.

I have conducted online verification & examination of records, as facilitated by the Company, due to COVID 19 and subsequent lockdown situation for the purpose of issuing this report.

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

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into by the Company with the Stock Exchange(s) *except for the following:*

- *The position of Compliance officer was vacant during the period under review, pursuant to which Compliance Certificate in terms of regulation 7(3) for half year ended 31.03.2020 and 30.09.2020 were not signed by said Officer;*
- *Delay of certain disclosures under regulation 51;*
- *Delay/ non submission of certain information and intimation under regulation 56 to Debenture Trustee;*
- *Financial Results for half year ended 31.03.2020 and 30.09.2020 have not been intimated to Stock Exchange within the prescribed time limit;*
- *Financial Result for half year and year ended 31.03.2020 have not been published within 2 days of conclusion of board meeting;*
- *Pursuant to regulation 54, Annual Report does not state the details of Debenture Trustee;*
- *SEBI Circular dated 22.10.2020 w.r.t. Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above except for the following:

- *There was no Board of Directors in the Company from 09.09.2020 to 12.09.2020.*
- *Key Managerial personnel i.e Company secretary and CEO/ Manager/ Managing Director was vacant throughout the year under review.*
- *Minimum requirement of independent directors as per section 149 of the Act was not adhered to and their meeting has not been convened;*
- *Circulation of signed minutes to directors as per Secretarial Standards – 1 was not perused;*
- *Due to requirement of Independent Director as chairman/member, mandatory Committees, i.e. Audit committee, Nomination and Remuneration Committee and Corporate Social Responsibility committee has not been formed.*
- *Qualifications mentioned in the Statutory Auditors report and Secretarial Audit report both dated 05.09.2020 has not been read at the Annual General Meeting in terms of Secretarial Standard - 2;*
- *Nomination and Remuneration Committee had not consider the performance evaluation of the Directors;*
- *Audit Committee has not considered approval of consolidated financial statements of the Company;*
- *Compliances pertaining to Board and General Meeting Minutes has been generally complied;*
- *Disclosures under section 184 and declaration under Section 164 of the Act has not been considered in the First Board meeting of the Company for the financial year under review;*
- *Resolution passed at the Extra- Ordinary General Meeting conducted on 07.09.2020 and 23.03.2021 has not been approved by the Board of Directors;*

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1934 and its Circulars, Notifications, Directions, Guidelines and Master Circulars issued by Reserve bank of India from time to time and as prescribed for Systemically Important Non-Deposit Accepting Non-Banking Financial Company except for;

(i) Reserve Bank of India Master Direction for Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company pertaining to:

- (a) Adopting Liquidity risk management framework guidelines notified on November 04, 2019 and pursuing its related compliances;
- (b) Appointing a Chief Risk Officer;
- (c) Due to requirement of Executive Director or CEO or Independent Director, Asset-Liability Management Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Credit committee was not constituted after 9<sup>th</sup> September, 2020;
- (d) Breach of SBL and GBL in case of many borrowers;
- (e) Scrutinizing the declarations of fit and proper criteria by Nomination and Remuneration Committee;

(ii) Master Direction - Know Your Customer (KYC) Direction pertaining to conducting and reviewing of internal Money Laundering and Terrorist Financing risk assessment as notified by Reserve Bank of India on 20<sup>th</sup> April, 2020.

(iii) Due to the requirement of Chairman being an Independent Director for IT committee, the Company had dissolved its IT committee with effect from 9<sup>th</sup> September, 2020 and hence compliances post that could not be pursued and verified.

(iv) The Company did not have a:

- (a) Grievance Redressal Officer from 6<sup>th</sup> October, 2020 till 5<sup>th</sup> November, 2020;
- (b) Principal Nodal Officer from 6<sup>th</sup> October, 2020 till 6<sup>th</sup> November, 2020;
- (c) Designated Director from 9<sup>th</sup> September, 2020 till 25<sup>th</sup> November, 2020.

(b) Prevention of Money Laundering Act, 2002.

I further report that

*The Composition of Board of Directors of the Company was not in accordance of Act and Articles of Association, details mentioned above.*

The appointment of Mr. Sharadkumar Bhatia, Ms. Ameeta Trehan and Mr. Atit Kumar Soni were based on the approval of Reserve Bank of India vide email dated 09.09.2020 and Investors of the Company. Accordingly, no recommendation was required for the regularization of the aforesaid Directors in the General meeting and thus compliance under section 160 was not undertaken.

Post resignation of Directors, the Audit committee was dissolved and was not reconstituted and thus it has not considered the valuation of assets considered for sale before its approval in the Extra-ordinary general meeting dated 24.02.2021.

Since the Committees of the Company were dissolved the General meetings were not attended by the Chairman of the Committees.

Adequate notice is given to all directors to schedule the Board Meetings except for the Board Meeting dated 06.08.2020, agenda and detailed notes on agenda were sent at least seven days in advance or on shorter notice and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Company has *generally* complied with the provisions of General Circular of Ministry of Corporate Affairs dated 08.04.2020 ,04.05.2020 and 05.05.2020 as read together.

As per the minutes of the meetings recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the Company commensurate with its size & operation to monitor and ensure compliance with applicable laws.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. Discussion on ECL provisioning and related accounting matters and application to the RBI for change in control and incidental matters;
- b. Approval and amendment in various policies and charters of the Company;
- c. Appointment of Grievance Redressal Officer;
- d. Appointment, Re-appointment and Resignation of Director(s);
- e. Discussion and approval for Distribution of cash to lenders on request of State Bank of India;
- f. Redemption of Non-Convertible Debentures;
- g. Approval for strike off of Altico Housing Finance India Limited, a Wholly Owned Subsidiary of Company;
- h. Approval was provided by the Board of directors for waiving off receivables from Subsidiary Company;
- i. Approval of the Board was granted for surrendering certificate of registration as a non-banking financial company;
- j. Company was unable to undertake expenditure of the unspent CSR amount during the period 2019-20 due to net losses incurred during the year;
- k. Due to non -appointment of Company secretary and Chief Executive Officer of the Company, the Financial Statements (standalone as well as consolidated) for the financial year 2019-2020 were not signed by the them;
- l. Approval of members obtained for the following: -
  - Alteration of Articles of Association;
  - Approval for sale and disposal of assets and whole or part of the undertaking of the Company
  - Approval for waiver of recovery of excess managerial remuneration paid to independent Director

**For Aashish K. Bhatt & Associates  
Company Secretaries  
(ICSI Unique Code S2008MH100200)**

**Place:** Mumbai  
**Date:** 23.06.2021

**Aashish Bhatt**  
**Proprietor**  
**ACS No.: 19639, COP No.: 7023**  
**UDIN: A019639C000500295**

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

## APPENDIX A

To,

**The Members,  
Altico Capital India Limited**  
21, 2nd Floor, 5 North Avenue,  
Maker Maxity, Bandra Kurla Complex,  
Bandra (East), Mumbai –400051.

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

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Aashish K. Bhatt & Associates  
Company Secretaries  
(ICSI Unique Code S2008MH100200)**

**Place:** Mumbai  
**Date:** 23.06.2021

**Aashish Bhatt  
Proprietor  
ACS No.: 19639, COP No.: 7023  
UDIN: A019639C000500295**

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. Highlights of FY 2020-21

The Company has primarily been in the business of senior secured lending to mid-income residential projects and commercial real estate sector across Tier I cities in India.

Following were the key highlights of the year FY2020-21 for the Company:

- Post default, the lenders have unanimously approved the resolution plan submitted by ARES SSG and the Settlement Agreement pursuant to the same has been signed between the company, its shareholders and all lenders as on March 02, 2021.
- The first tranche of the Settlement Amount has been paid to the lenders on 12<sup>th</sup> March 2021 in accordance with the Settlement Agreement and the balance amount is payable as per the terms of the aforesaid agreement. The funds for the said balance payment has been kept aside in a separate escrow bank account maintained with the lead lender SBI.
- Consequent to the RBI letter dated November 06, 2020 and the terms under the settlement agreement post the payment of the first tranche the Company had applied for surrendering the Certificate of Registration ('CoR') to RBI on March 19, 2021. Company is awaiting response from RBI on its application.

#### (A) Credit Ratings Downgrade and Consequent Default

During the financial year under review, the Company's credit rating profile stood as under:

Instrument	Credit rating agency	As at March 31, 2021
Bank Term Loan	India Ratings & Research Private Limited	IND D
Non-Convertible Debentures	India Ratings & Research Private Limited	IND D
Principal protected Market Linked debenture	India Ratings & Research Private Limited	IND PP-MLD C emr

Notes: \*CARE Rating Limited rated Altico during FY2018-19 and hence was not outstanding as of March 31, 2018

^The Company also received PP-MLD AA-emr (Stable) from India Ratings & Research Private Limited for its market linked debentures.

### II. Industry Developments, Opportunities and Threats:

For real estate sector which used to be the focus of the Company's lending activities, the fiscal year started on a weak note as the sector was already grappling with low demand on account of multiple factors including the softening of the real estate market, weakening of sales prices, shifting of consumer preference from under construction units to completed units, etc. Continued stress in the real estate sector had resulted in deterioration of cash flows from several real estate projects resulting in adverse impact on the cash flows of NBFCs which had financed these projects.

The onset of the Covid-19 pandemic in March 2020 and the consequent nation-wide lockdown

further aggravated the situation. Construction activities suffered grossly during the first half of the fiscal year on account of the reverse migration of the migrant labor force to rural India. Sales activity plummeted on the back of economic uncertainty.

To tide over the Covid induced lockdown and stoppage of economic activity impacting borrowers across the board, the Reserve Bank of India came up with 'Covid-19 Regulatory Package' through the months of March 2020 to May 2020 permitting financial institutions to offer eligible borrowers up to 6 months of payment moratorium for payments falling due between February 1, 2020 to August 31, 2020. Most of the eligible borrowers of the Company too availed of the moratorium.

In August 2020, the RBI further announced a 'Resolution Framework for Covid-19 Related Stress' providing financial institutions / lenders a window under Prudential Framework (Prudential Framework for Resolution of Stressed Assets, Directions 2019, dated June 7, 2019) to implement a one-time restructuring / resolution plan in respect of eligible corporate borrowers without change in ownership while classifying such exposures as Standard, subject to specific conditions.

The above-mentioned actions from RBI helped mitigate the adverse impact on cashflows of financial institutions / lenders including real estate focused NBFCs to some extent.

As the economy returned to relative normalcy in the second half of the fiscal year, real estate sales temporarily picked up in certain pockets. In a one-off instance, the Government of Maharashtra announced a temporary reduction in stamp duty from September 2020 to March 2021 which nudged real estate sales activity in the positive direction.

The second wave of the pandemic however, has again led to slowdown and announcement of state wise lockdowns / restrictions on economic activity. The short and medium term outlook will depend on the occurrence and severity of a third wave of the pandemic.

In March 2021, as part of the transaction structure agreed between the Company's lenders and the incoming investor, all loans of the Company were assigned to entities controlled by the incoming investor. As on date the Company is performing its role as a servicing entity for the sold loans to the acquirers. The go forward business strategy will be decided by the incoming investor.

### **III. Risk and Concerns**

Incidental to the nature of its business, the Company had been subjected to the key risks indicated below:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Regulatory & Compliance Risk
- Force Majeure Risk

In order to mitigate and/or minimize the above risks, the Company undertook following activities:

- Implementation of its internal policies, procedures, and guidelines. Even though no CRO could be appointed due to the prevailing conditions, The Company followed a detailed risk management framework in place which outlines the purpose of the Risk Committee and the establishment of a Company based Enterprise Risk Management committee

- No new credit risk was undertaken in line with the lenders and RBI directives
- Monitoring of business activities: The Company followed a practice of periodic monitoring of the loan assets portfolio
- Implementation of maker-checker mechanism
- Management reviews and internal audits
- Business Continuity Planning and implementation thereof, e.g. in recent Covid-19 pandemic breakout, the business operations remained largely unaffected.

Further, wherever required, we also augment internal teams by engaging advisors and consultants to aid in appraisal and mitigation of business related risks.

Consequent to the loan asset sale in March 2021, the aforesaid activities are being carried out as a servicing agent on behalf of the asset acquirers.

#### **IV. Segment Information**

The Company has only one reportable segment i.e. 'wholesale financing' in real estate. The company does not have any operations outside India and hence there are no reportable geographical segments.

#### **V. Human Resources**

The Company considers its human capital a critical factor for its smooth functioning. The Company has built a strong organisation with highly qualified and experienced managers. As on March 31, 2021, the Company had 31 employees.

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Altico Capital India Limited (Formerly known as Altico Capital India Private Limited)**

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

#### **Opinion**

We have audited the financial statements of Altico Capital India Limited (Formerly known as Altico Capital India Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Statement, 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 opinion.

#### **Material uncertainty related to Going Concern.**

We refer to note 44, which states that consequent to the Company entering into settlement agreement with the lenders, assignment of loan agreements with Ares SSG entities, and Share Purchase Agreement with Nolana Capital (company identified by Ares SSG), the Company does not meet its Principal Business Criteria (Financial Assets/Financial Income) for holding Non-Banking Finance licence and hence made an application to the RBI for surrendering its Certificate of Registration u/s 45-IA of the RBI Act, 1934. These developments during the year and contingencies arising out of the various agreements indicates that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. However, the Share Purchase Agreement provides for transfer of shareholding to Nolana Capital consequent to the RBI's approval on surrender of its licence. Further, the Company has entered into servicing agreement with Ares SSG entities for a period of one year date. In view of the above, the financial statements have been prepared on a going concern basis.

#### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

1. Note 43, which describes that the extent to which the COVID-19 Pandemic will impact the financial statements depends on uncertain future developments.
2. Note 46.27, which describes the annual inspection carried out by the RBI for the financial year 2019-20 The Company submitted its responses to the RBI on the observations raised therein.

Our opinion is not modified in respect of these matters.

## 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 Director's Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Key Audit Matters	How our audit addressed the key audit matter
<b>Sale of loan assets by the Company as per resolution plan (Refer Note 44)</b>	
<p>The lenders of the Company have unanimously approved the resolution plan submitted by Ares SSG Capital Management (Singapore) Pte. in March 2020. Since then, the Company, its shareholders and Lenders have entered into a Settlement Agreement dated March 02, 2021.</p> <p>The Company had also entered into binding agreement with Ares SSG entities for loan asset sale and thereafter utilize the sale proceeds to make the distribution to the Lenders' dues as per the terms of the Settlement Agreement.</p> <p>The various agreement viz settlement agreements, assignment agreement and share purchase agreements are critical events pursuant to which adjustments have been made in the financial statements and which also direct the company's further course of business. These involved discussion with the management, understanding the agreements, making appropriate inquiries and reading the relevant clauses which involved professional judgement and hence considered as a Key Audit Matter.</p>	<p>Our audit procedures included, but not limited to the following:</p> <ol style="list-style-type: none"><li>1) Obtained and read the copies of the resolution passed at the meetings of shareholders and Board of Directors approving the resolution plan.</li><li>2) Obtained and read the extracts of the Settlement agreement, Assignment agreement and Share purchase agreement entered in to by the Company.</li><li>3) Verified on test check basis the receipt of monies from SSG on sale of loans and other assets as per the Settlement Agreement.</li><li>4) Verified on test check basis the amounts of first distribution to the lenders as per the Settlement Agreement.</li><li>5) Verified the application to RBI for surrender of its Certificate of Registration.</li><li>6) Verified the disclosure made by the Company in this regard.</li></ol>

### 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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.

## 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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, the Statement of Changes in Equity and the Statement of Cash Flows 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 are disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) 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, 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 to the financial statements.
    - ii. The Company has made provision as at March 31, 2021, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2021;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As per the requirements of the Companies Act, 2013, Company is required to have a Managing Director or a Chief Executive Officer ("CEO") and a Company Secretary. The CEO and Company Secretary resigned with effect from November 26, 2019, and March 20, 2020 respectively. The Company has not appointed a whole-time Company Secretary and Managing Director or CEO since then.
4. As per the requirement of the Companies Act, 2013 and relevant rules, the Company is required to have an Independent Director's. However, the Company did not have any Independent Directors and any Committees viz Audit Committee, Nomination and Remuneration Committee, Companies Social Responsibilities Committee as at March 31, 2021.
5. According to information and explanations given to us, there was no remuneration paid during the year by the Company to its directors.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Swapnil Kale**

Partner

Membership Number: 117812

UDIN: 21117812AAAAGT8918

Mumbai

June 23, 2021

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALTICO CAPITAL INDIA LIMITED (FORMERLY KNOWN AS ALTICO CAPITAL INDIA PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2021**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
  - (b) All the Property, Plant and Equipment of the Company have not been physically verified by the Management during the year. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether such material discrepancies have been properly dealt with in the books of account.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is involved in the business of rendering financial services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 of the Act and has complied with the provisions of section 186(1) of the Act. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii.
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and any other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no material undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and any other material statutory dues applicable to it as at March 31, 2021 were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us and examination of records of the Company, the outstanding dues of income-tax on account of dispute which have not been deposited as on March 31, 2021, are as follows:

Name of the statute	Nature of the dues	Amount Rs. In Crores	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	2.98	Assessment Year - 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Demand	1.36	Assessment Year - 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demand	1.61	Assessment Year - 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax Demand	2.04	Assessment Year - 2014-15	Commissioner of Income Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, banks or debenture holders (refer note 14 & 15 of the financial statements).
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is registered and holds a certificate of registration under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company. However as at March 31, 2021 the Company does not meet the Principal Business Criteria (Financial Assets/Income Pattern) and hence is not eligible to hold certificate of registration. The Company has made a voluntary application to RBI dated March 19, 2021, for surrendering of its licence and awaits RBI response on the same.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration Number: 105047W

**Swapnil Kale**  
Partner  
Membership Number: 117812  
UDIN: 21117812AAAAGT8918

Mumbai  
June 23, 2021

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALTICO CAPITAL INDIA LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to 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 internal financial controls with reference to 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 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 auditors' 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 financial statements.

## **Meaning of Internal Financial Controls With Reference to Financial Statements**

A Company's internal financial control 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 control 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **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.

## **Basis for Adverse Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at March 31, 2021:

- 1) The internal controls did not operate effectively with respect to compliance with applicable Laws and Regulations, as the Company did not have key managerial personnel i.e. Managing Director, Whole Time Director, and Chief Risk Officer employed on full year basis;
- 2) The Company also did not Independent Directors and Committees viz Audit Committee, Nomination and Remuneration Committee, Companies Social Responsibilities Committee as at March 31, 2021

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

## **Adverse Opinion**

In our opinion, because of the possible effects of the matters described in the Basis of Adverse Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were not operating effectively as of March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in Guidance Note.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind AS financial statements of the Company for the year ended March 31, 2021, and the material weaknesses do not affect our opinion on the said Ind AS financial statements of the Company.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration Number: 105047W

**Swapnil Kale**

Partner

Membership Number: 117812

UDIN: 21117812AAAAGT8918

Mumbai

June 23, 2021

**Altico Capital India Limited****Balance Sheet as at March 31, 2021**

(Currency : Indian Rupees in crores)

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>(I) Financial Assets</b>			
(a) Cash and cash equivalents	3	343.24	432.06
(b) Bank balances other than cash and cash equivalents	4	-	27.74
(c) Receivables			
(i) Other Receivables	5	0.02	6.93
(d) Loans	6	-	4,543.16
(e) Investments	7	-	0.01
(f) Other financial assets	8	2.18	3.00
		<b>345.44</b>	<b>5,012.90</b>
<b>(II) Non Financial Assets</b>			
(a) Current tax assets (net)	9	69.90	170.62
(b) Deferred tax assets (net)	10	-	-
(c) Property, plant and equipment	11	3.97	5.50
(d) Right-of-use assets	11	-	6.51
(e) Intangible assets	11	0.02	0.49
(f) Other non financial assets	12	5.69	5.10
		<b>79.58</b>	<b>188.22</b>
<b>Total Assets</b>		<b>425.02</b>	<b>5,201.12</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(I) Financial Liabilities</b>			
(a) Trade Payables			
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	13	17.02	20.62
(b) Debt securities	14	111.72	1,552.22
(c) Borrowings (Other than debt securities)	15	183.44	2,791.30
(d) Other financial liabilities	16	0.05	0.43
		<b>312.23</b>	<b>4,364.57</b>
<b>(II) Non-Financial Liabilities</b>			
(a) Provisions	17	17.63	17.74
(b) Other non-financial liabilities	18	0.83	8.86
		<b>18.46</b>	<b>26.60</b>
<b>EQUITY</b>			
(a) Equity share capital	19	534.38	534.38
(b) Other equity	20	(440.05)	275.57
		<b>94.33</b>	<b>809.95</b>
<b>Total Liabilities and Equity</b>		<b>425.02</b>	<b>5,201.12</b>

**Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements.

1 &amp; 2

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

**For MSKA & Associates**  
**Chartered Accountants**  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors  
**Altico Capital India Limited**

**Swapnil Kale**  
Partner  
Membership No. - 117812

**Ameeta Trehan**  
Non Executive Director  
DIN - 07087510

**Sharadkumar Bhatia**  
Non Executive Director  
DIN - 07327383

**Atit Kumar Soni**  
Non Executive Director  
DIN - 02788461

**Dhruv Jain**  
Chief Financial Officer

Mumbai  
June 23, 2021

Mumbai  
June 23, 2021

# Altico Capital India Limited

## Statement of Profit and Loss for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(I) Revenue from operations</b>			
(a) Interest income	21	784.54	1,132.72
(b) Net gain on derecognition of financial instruments		117.00	5.72
<b>Total revenue from operations</b>		<b>901.54</b>	<b>1,138.44</b>
<b>(II) Other income</b>	23	1,774.75	0.01
<b>Total income</b>		<b>2,676.29</b>	<b>1,138.45</b>
<b>(III) Expenses</b>			
(a) Finance costs	24	425.00	520.03
(b) Net loss on fair value changes	22	-	142.84
(c) Net loss on derecognition of financial instruments under amortised cost category	25	2,774.88	2.54
(d) Impairment on financial instruments & other assets	26	132.33	2,515.45
(e) Employee Benefits Expenses	27	22.01	48.35
(f) Depreciation, amortization and impairment	11	5.29	5.08
(g) Others expenses	28	32.51	55.70
<b>Total expenses</b>		<b>3,392.02</b>	<b>3,289.99</b>
<b>(IV) Loss before tax for the year (I + II - III)</b>		<b>(715.73)</b>	<b>(2,151.54)</b>
<b>(V) Tax Expense :</b>	29		
(a) Current tax		-	3.03
(b) Deferred tax		-	71.12
		-	74.15
<b>(VI) Net loss after tax for the year (IV - V)</b>		<b>(715.73)</b>	<b>(2,225.69)</b>
<b>(VII) Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit and loss			
(i) Remeasurement gains and (losses) on defined benefit obligations		0.11	(0.26)
(ii) Income tax relating to items that will not be reclassified to profit and loss		-	-
<b>Total (a)</b>		<b>0.11</b>	<b>(0.26)</b>
(b) Items that will be reclassified to profit and loss		-	-
<b>Total (b)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive income (a+b)</b>		<b>0.11</b>	<b>(0.26)</b>
<b>(VIII) Total Comprehensive Income for the year (VI + VII)</b>		<b>(715.62)</b>	<b>(2,225.95)</b>
<b>(IX) Earnings per equity share in Rupees (Face value Rs. 10 each)</b>			
Basic	31	(13.39)	(41.65)
Diluted	31	(13.39)	(41.65)

### Significant Accounting Policies

1 & 2

The accompanying notes are an integral part of the financial statements.

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

**For MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors  
**Altico Capital India Limited**

**Swapnil Kale**  
Partner  
Membership No. - 117812

**Ameeta Trehan**  
Non Executive Director  
DIN - 07087510

**Sharadkumar Bhatia**  
Non Executive Director  
DIN - 07327383

**Atit Kumar Soni**  
Non Executive Director  
DIN - 02788461

**Dhruv Jain**  
Chief Financial Officer

Mumbai  
June 23, 2021

Mumbai  
June 23, 2021

# Altico Capital India Limited

## Statement of cash flow for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	(715.73)	(2,151.54)
<b>Adjustments for</b>		
Depreciation, amortization and impairment	5.29	5.08
Net loss on fair value changes	-	142.84
Net gain on derecognition of financial instruments under amortised cost category	117.00	(5.72)
Net loss on derecognition of financial instruments under amortised cost category	2,774.88	2.54
Write back of borrowings principal & EIR adjustment	(1,360.54)	-
Impairment on financial instruments	132.33	2,515.45
Employee share based payments	-	5.70
Provisions for employee benefits	0.84	1.35
Fixed assets scrapped	-	0.01
Interest income accrued but not received	556.15	-
<b>Operating cash flow before working capital changes</b>	<b>1,510.22</b>	<b>515.71</b>
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Bank balance other than cash and cash equivalents	27.74	466.16
Other receivables	3.14	(6.61)
Loans	(977.30)	(285.84)
Proceeds from Sale of Loan Portfolio as part of assignment agreement	2,034.01	-
Other financial assets	1.22	-
Other non financial assets	1.06	(6.55)
<i>Adjustments for increase/ (decrease) in operating liabilities</i>		
Trade payables	(3.60)	13.22
Other financial liabilities	(0.38)	77.05
Provisions	(0.84)	(19.48)
Other non financial liabilities	(8.03)	(4.19)
<b>Cash used in operations</b>	<b>2,587.24</b>	<b>749.47</b>
Income taxes paid / Refund received (Net of Refunds Received)	11.83	(73.54)
<b>Net cash used in operating activities -A</b>	<b>2,599.07</b>	<b>675.93</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipments	(0.05)	(0.14)
Purchase of intangible assets	-	(0.17)
Fair value loss on security receipts	-	31.95
Proceeds from investments	(0.01)	-
<b>Net cash generated from / (used in) investing activities - B</b>	<b>(0.06)</b>	<b>31.64</b>
<b>C Cash flow from financing activities</b>		
Proceeds from debt securities	-	97.00
Proceeds from borrowings other than debt securities	-	501.75
Repayment of debt securities	(39.43)	(895.43)
Repayment of borrowings other than debt securities	(343.49)	(762.31)
Repayment of borrowings as part of the Settlement agreement	(2,304.91)	-
<b>Net cash generated from financing activities - C</b>	<b>(2,687.83)</b>	<b>(1,058.99)</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(88.82)</b>	<b>(351.42)</b>
Cash and cash equivalent as at the beginning of the year	432.06	783.48
Cash and cash equivalent as at the end of the year (Note - 5)	343.24	432.06

# Altico Capital India Limited

## Statement of cash flow for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

### Notes:

i) **Reconciliation of cash and cash equivalents as per the statement of cash flow**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and Cash Equivalents as per above comprise of the following as per Note - 5		
- Cheques on hand	-	4.64
- In Current accounts	94.06	427.42
- In Fixed deposits	249.18	-
<b>Balances as per statement of cash flow</b>	<b>343.24</b>	<b>432.06</b>

ii) The above Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard - 7 " Statement of Cash flow ".

### Significant Accounting Policies

1 & 2

The accompanying notes are an integral part of the financial statements.

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

### For MSKA & Associates

Firm Registration No.: 105047W

For and on behalf of the Board of Directors

**Altico Capital India Limited**

### Swapnil Kale

Partner

Membership No. - 117812

### Ameeta Trehan

Non Executive Director

DIN - 07087510

### Sharadkumar Bhatia

Non Executive Director

DIN - 07327383

### Atit Kumar Soni

Non Executive Director

DIN - 02788461

### Dhruv Jain

Chief Financial Officer

Mumbai

June 23, 2021

Mumbai

June 23, 2021

**Altico Capital India Limited****Statement of changes in equity As at March 31, 2021**

(Currency : Indian Rupees in crores)

**A. Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	534,381,215	534.38	534,381,215	534.38
Add: Changes in equity share capital during the year	-	-	-	0.00
<b>Issued, subscribed and fully paid up equity shares outstanding at the end of the year</b>	<b>534,381,215</b>	<b>534.38</b>	<b>534,381,215</b>	<b>534.38</b>

**B. Other Equity**

Particulars	Other Equity					Total Other Equity
	Reserves and Surplus					
	Securities premium	Statutory reserve	Capital Redemption reserve	Employee stock options	Retained Earnings	
<b>Balance As at April 01, 2019</b>	<b>1,594.40</b>	<b>218.51</b>	<b>5.11</b>	<b>27.31</b>	<b>650.49</b>	<b>2,495.82</b>
Profit for the year	-	-	-	-	(2,225.69)	(2,225.69)
Other comprehensive income for the year	-	-	-	-	(0.26)	(0.26)
Transfer from / (to)	-	-	-	(10.25)	10.25	-
Employee share options	-	-	-	5.70	-	5.70
<b>Balance As at March 31, 2020</b>	<b>1,594.40</b>	<b>218.51</b>	<b>5.11</b>	<b>22.76</b>	<b>(1,565.21)</b>	<b>275.57</b>
Profit for the year	-	-	-	-	(715.73)	(715.73)
Other comprehensive income for the year	-	-	-	-	0.11	0.11
Transfer from / (to)	-	-	-	(2.22)	2.22	-
Employee share options	-	-	-	-	-	-
<b>Balance As at March 31, 2021</b>	<b>1,594.40</b>	<b>218.51</b>	<b>5.11</b>	<b>20.54</b>	<b>(2,278.61)</b>	<b>(440.05)</b>

**Significant Accounting Policies - Refer Note 1 and 2**

This is the Statement of changes in equity referred in our report of even date.

**For MSKA & Associates**  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors  
**Altico Capital India Limited**

**Swapnil Kale**  
Partner  
Membership No. - 117812

**Ameeta Trehan**  
Non Executive Director  
DIN - 07087510

**Sharadkumar Bhatia**  
Non Executive Director  
DIN - 07327383

Mumbai  
June 23, 2021

**Atit Kumar Soni**  
Non Executive Director  
Mumbai  
June 23, 2021

**Dhruv Jain**  
Chief Financial Officer

# **Altico Capital India Limited**

## **Notes to the financial statements for the year ended March 31, 2021**

**(Currency : Indian Rupees in crores)**

### **1. Corporate Information**

Altico Capital India Limited (formerly known as Altico Capital India Private Limited) ('Altico' or 'the Company') was incorporated on January 28, 2004. Altico is a wholly owned subsidiary of India Credit Pte Ltd. Altico holds certificate of registration issued by Reserve Bank of India to operate as a Non-Banking Financial Company ('NBFC') vide certificate number N-13.01777 dated January 4, 2018 (in lieu of certificate number N-13.01777 dated January 18, 2005).

The Company was engaged in the business of providing medium to long term finance to corporate borrowers. Refer Note no. 2.01 for more details.

### **2. Summary of Significant Accounting Policies**

#### **2.01 Basis of preparation**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS'). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act

The financial statements have been prepared on the historical cost convention on the accrual basis except for share-based payments.

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

The lenders of the Company have unanimously approved the resolution plan submitted by Ares SSG Capital Management (Singapore) Pte. in March 2020. Since then, the Company, its shareholders and Lenders have entered into a Settlement Agreement in March 2021.

Altico had also entered into binding agreement with Ares SSG entities for loan asset sale and thereafter utilize the sale proceeds to make the first distribution to the Lenders' dues. Second and final distribution to the Lenders will be made as per the terms of the Settlement Agreement. Upon the execution of the Settlement Agreement, the default committed by Altico in September 2019 has been cured as per the Settlement Agreement.

Consequent to the consummation of such loan asset-sale, the Company does not meet the "Principal business Criteria" requirement for holding a non-banking finance Company license, as stipulated by the RBI. The Company has accordingly applied to the RBI for surrendering its 'certificate of registration' vide letter and mail dated March 19, 2021. The Company awaits RBI's response on the application.

Ares SSG entities were desirous of appointing Altico for rendering services in relation to the sold loan assets, consequently the Company has entered into a servicing agreement with Ares SSG entities detailing the terms and conditions and the commercial understanding therein. Accordingly the financial results have been prepared on a going concern basis.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2.02 Presentation of Financial Statements**

The Company presents its financial statements in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 33(d). The Balance Sheet and the Profit and Loss Account are prepared and presented in the format prescribed in the Division III - Schedule III to the Companies Act, 2013 (“the Act”) applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requirements under prudential norms as of Reserve Bank of India as applicable to the Company.

#### **2.03 Foreign currency translation**

##### **Functional and presentation currency**

The financial statements are prepared and presented in Indian Rupees (INR) which is functional and presentational currency of the Company. Financial information presented in INR has been rounded to the nearest crores except as stated otherwise.

##### **Transactions and balances**

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported at prevailing closing spot rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Exchange differences are recognized in profit or loss. Foreign currency non-monetary items that are measured based on historical cost are not retranslated.

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **2.04 Financial Instruments**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument i.e. trade date.

##### **2.04.1 Financial assets**

###### **A. Classification**

The Company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of profit and loss); and those to be measured at amortised cost.

The classification is based on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit and loss or other comprehensive income (‘OCI’).

Investments in equity instruments are classified as at Fair Value through Profit and Loss (FVTPL), unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

###### **B. Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus/minus the transaction costs that are directly attributable to the acquisition of the financial asset. In case of financial assets carried at fair value through profit or loss, transaction costs are expensed in Statement of profit and loss as incurred.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

**(Currency : Indian Rupees in crores)**

#### **C. Debt instrument**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

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

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

##### ***i) Amortised cost***

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- a) The asset is held within a business model with the objective of collecting the contractual cash flows, and
- b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans, trade receivables and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

#### **2. *Summary of Significant Accounting Policies (Continued)***

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Interest income is included in finance income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss in other expenses.

##### ***ii) Fair value through other comprehensive income (FVOCI)***

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of profit and loss and recognised in other gains/(losses). Equity instruments at FVOCI are not subject to an impairment assessment.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### *iii) Fair value through profit and loss (FVTPL)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss are carried in the Balance sheet at fair value with net changes in fair value presented as other (gains)/losses in Statement of profit and loss. Interest income from these financial assets at fair value through profit or loss are included separately in other income.

#### **D. Determination of fair Value**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

**Level 2 financial instruments** – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

**Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **2.04.2 Recognition of Interest income**

The Company calculates interest income by applying the effective interest rate ('EIR') to the gross carrying amount of financial assets carried at amortized cost excluding credit impaired advances. The EIR is the rate that exactly discounts estimated future cash inflows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

If the Company revises its estimates of estimated life of the financial instrument, it adjusts the gross carrying amount of the financial asset to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss.

Interest income on financial assets classified as FVTPL is recognised using the contractual interest rate in net gain/(loss) on fair value changes.

When a financial asset becomes credit-impaired and is, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortized cost (net of expected credit loss) of such financial asset. If the financial assets are no longer credit impaired, the Company calculates the interest income on a gross basis.

##### **2.04.3 Impairment of financial assets**

The Company records allowance for expected credit losses for all loans, investment in credit substitutes, and other financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts.

Expected credit losses are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. On a significant increase in credit risk, credit losses are recalculated from 12 month to lifetime expectations.

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

Both lifetime and 12 months ECL are calculated on either an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Basis the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as follows:

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

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

Stage 3: Loans considered in Stage 3 are credit-impaired. The Company recognizes an allowance for the lifetime expected credit losses.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **2.04.4 Write offs**

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

##### **2.04.5 Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

#### **B. Financial liabilities**

The Company determines the classification of its financial liabilities at initial recognition.

##### **2.04.6 Classification**

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss,
- b) those to be measured at amortised cost.

##### **2.04.7 Measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

The Company's financial liabilities include trade payables, borrowings including bank overdrafts and other financial instruments. The measurement of financial liabilities depends on their classification, as described

##### **a) Financial liabilities measured at amortised cost**

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings.

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to Statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of profit and loss. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

#### **2.04.8 Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of profit and loss.

##### *Repossessed collateral*

Repossessed collateral represents financial and non-financial assets acquired by the Company in settlement of overdue loans. The assets are initially recognized at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Company's intention in respect of recovery of these assets, and are subsequently re-measured and accounted for in accordance with the accounting policies for these categories of assets.

#### **2.04.9 Offsetting**

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

#### **2.04.10 Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period in which the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

#### **2.05 Revenue recognition**

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Interest income: Interest income is recognized using the effective interest rate

(ii) Dividend income: Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 2. Summary of Significant Accounting Policies (Continued)

(iii) Financial advisory fees: Financial advisory fees that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Financial advisory fees that are not integral to the effective interest rate are recognised as per the terms of Agreement.

(iv) Income from mutual funds: Investments in mutual funds are classified as FVTPL. The Company recognizes realised/unrealised gains or losses as at the reporting date based on the net asset value (NAV) statement received from the mutual fund houses.

#### 2.06 Cash and Cash equivalents

Cash and cash equivalents includes cash at bank, cash on hand, cheques in hand, remittances in transit and short term bank deposits with an original maturity of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in the balance sheet.

#### 2.07 Property, Plant and Equipment

Property, Plant and Equipment ('PPE') are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing the Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

#### 2.08 Depreciation on property, plant and equipment

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation of management, the management believes that its estimates of useful lives as given below best represent the period over which management expects to use these assets

Particulars	Estimated useful life by the Company
Office Equipment	5 years
Computer Equipment	5 years
Desktop / Laptop	3 years
Server network	6 years
Vehicles	8 Years
Furniture and Fixtures	10 years
Lease-hold improvements	Over the primary life of the lease.

On the basis of a technical assessment the Company depreciates its Fixed Assets having original cost less than Rs.50,000 individually fully in the year of purchase.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **2.09 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end.

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

Intangible assets are amortised using straight line method as per management's estimate over a period of 6 years.

##### **2.10 Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

##### **2.11 Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that may arise from past events but probably not require an outflow of resources to settle the obligation. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

Contingent assets are not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

##### **2.12 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in resources.

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

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **2.13 Employee Benefits**

###### **i. Short-term benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Accumulated leaves which are expected to be utilized within the next 12 months are treated as short term employee benefit.

###### **ii. Post-employment obligations:**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund

###### **(a) Gratuity obligations**

The Company operates defined benefit plans for its employees pertaining to gratuity liability. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

###### **(b) Provident fund**

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

###### **iii. Other long-term employee benefits**

The Company treats accumulated leave expected to be carried forward beyond twelve months and long term bonus, as long term employee benefit for measurement purposes. Such long term employee benefit are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **2.14 Taxes**

###### **Current Tax**

Income tax expense represents the sum of the current tax and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

###### **Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Carrying value of deferred tax assets and liabilities are reviewed as at each end with respect to reasonable certainty of future utilization.

###### **MAT Credit**

MAT under the provisions of the Income Tax Act, 1961 is recognized as current tax in the statement of profit and loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT can be carried forward for set off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

##### **2.15 Leases**

The Company has applied Ind AS 116 Leases from the accounting periods beginning from 1 April 2019 using the modified retrospective approach.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

#### **2. Summary of Significant Accounting Policies (Continued)**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability 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 underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by the Company.

#### **2.16 Employee Share Based Plan**

Share-based compensation benefits are provided to employees via Altico Capital India Private Limited Stock Based Incentive plan (the "Plan"). The fair value of options granted under the Altico Capital India Private Limited Stock Based Incentive plan is recognised as an employee benefits expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions, excluding the impact of any service and non-market performance vesting conditions and including the impact of any non-vesting conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### **2.17 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 35 of the financial statements for who has identified as CODM of the Company.

#### **2.18 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, of the Companies Act, 2013 unless otherwise stated.

#### **2.19 Critical Accounting Estimates and Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

## **Altico Capital India Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

**(Currency : Indian Rupees in crores)**

#### **2. *Summary of Significant Accounting Policies (Continued)***

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

##### a) Effective rate of interest

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

##### b) Impairment of financial assets

The recognition and measurement of ECL is highly complex and involves the use of significant judgement and estimation, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. Key factors of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- Segmentation of financial assets when the ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>3. Cash and cash equivalents</b>		
a) Cash on hand	-	-
b) Cheques on hand	-	4.64
c) Balances with Banks		
i) in current accounts (Refer note below)	94.06	427.42
ii) in fixed deposit (with original maturity less than 3 months)	249.18	-
<b>Total</b>	<b>343.24</b>	<b>432.06</b>

**Note :**

Earmarked Balance (see note below)

295.16

207.50

Encumbered balances (pledged as collateral towards borrowings)

-

3.73

## Note:

As at March 31 2021 - (Rs. 295.16 Crore)

The Company's Cash and Bank balances includes ₹ 295.16 crore of earmarked money for payment to the lenders as per the terms mentioned in the settlement agreement.

As at March 31, 2020 - (Rs. 207.50 Crore)

The Company's Cash and Bank balances includes ₹ 207.50 crore of External commercial borrowings (ECB) proceeds parked in the current account with one of the leading commercial bank (Bank) in capacity of Authorised Dealer. The Company had sought RBI Foreign exchange department approval for the remittance of the unutilized ECB proceeds of Rs. 207.50 Crore. The AD bank had reverted in July 2020 that they will return the said amount to the ECB lender. This has since been paid.

**4. Bank balances other than cash and cash equivalents**

Other Bank balances

a) Fixed deposit accounts with maturity more than 3 months

-

27.74

**Total**

-

**27.74**

Encumbered balances

-

27.74

**5. Other Receivables**

a) Other Receivables considered good - Secured

-

-

b) Other Receivables considered good - Unsecured

0.02

6.93

c) Other Receivables considered doubtful - Unsecured

6.86

3.09

**6.88****10.02**

Less: Impairment loss allowance

6.86

3.09

**Total****0.02****6.93**

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>6. Loans</b>		
<b>I. At amortised cost</b>		
<b>A. Product wise Details</b>		
a) Term loans	-	6,621.99
<b>Total (A) - Gross</b>	<u>-</u>	<u>6,621.99</u>
Less: Impairment loss allowance	-	2,078.83
<b>Total (A) - Net</b>	<u><u>-</u></u>	<u><u>4,543.16</u></u>
<b>B. Security wise Details</b>		
a) Secured considered good*		
i) Secured by tangible assets	-	6,583.49
ii) Secured by intangible assets	-	-
b) Unsecured	-	38.50
<b>Total (B) - Gross</b>	<u>-</u>	<u>6,621.99</u>
Less: Impairment loss allowance	-	2,078.83
<b>Total (B) - Net</b>	<u><u>-</u></u>	<u><u>4,543.16</u></u>
*Secured loans are secured to the extent of collateral value consisting of immovable property and/or fixed deposits.		
<b>C. Region wise Details</b>		
a) Loans in India		
- Public sector	-	-
- Others	-	6,621.99
b) Loans outside India	-	-
<b>Total (C) - Gross</b>	<u>-</u>	<u>6,621.99</u>
Less: Impairment loss allowance	-	2,078.83
<b>Total (C) - Net</b>	<u><u>-</u></u>	<u><u>4,543.16</u></u>
<b>II. Loans at fair value through profit and loss</b>		
a) Loans (Gross value)	-	116.71
b) Fair value movement during the year	-	(116.71)
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>
Loans outside India	-	-
Loans in India	-	116.71
<b>Total</b>	<u>-</u>	<u>116.71</u>
Fair value movement during the year	-	(116.71)
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Grand total - Gross [(A) + (D)]</b>	-	6,738.70
<b>Grand total - Net [(C) + (D)]</b>	-	4,543.16

**Note:**

- 6.1** As a part of implementation of the Resolution Plan, the Company has entered into definitive documents (assignment agreements) on March 04, 2021 with Assets Care & Reconstruction Enterprise Limited and Catalyst Trusteeship Limited, purchasers identified by Ares SSG (in each case acting as a trustee of the trusts settled for this purpose) and completed the sale of all loan assets effective on March 10, 2021 (“Asset Sale”). For more details Refer Note no. 44
- 6.2** Refer note - 41 for details of Credit risk, credit risk management, credit quality and reconciliation of impairment loss allowance.
- 6.3** There are no loans which has been classified as Fair value through other comprehensive income.

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**6. Loans (continued)****6.3 Credit quality of assets**

The table below shows stage wise risk classification. The amounts presented are gross of impairment allowances. Details of the Company's internal approach and policies are disclosed in note 32(a).

**i) Year Ended March 31,2021**

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>2,749.80</b>	<b>1,279.97</b>	<b>2,592.24</b>	<b>6,622.01</b>
New disbursements	-	-	-	-
Assets derecognised	-	-	-	-
Assets derecognised on sale of loans	(2,741.32)	(1,420.24)	(2,448.27)	<b>(6,609.83)</b>
Other movements including partial repayments and interest accruals	(8.48)	140.27	(143.97)	<b>(12.18)</b>
<b>Change in staging</b>				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ii) Year Ended March 31,2020**

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>3,891.22</b>	<b>2,896.52</b>	<b>143.26</b>	<b>6,931.00</b>
New disbursements	271.66	121.81	30.00	<b>423.47</b>
Assets derecognised	(311.55)	-	(11.26)	<b>(322.81)</b>
Other movements including partial repayments and interest accruals	(18.57)	166.33	14.51	<b>162.27</b>
<b>Change in staging</b>				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(907.91)	907.91	-	-
Transfers to Stage 3	(175.05)	(2,812.60)	2,987.66	<b>0.01</b>
Amounts written off	-	-	(571.93)	<b>(571.93)</b>
<b>Closing balance</b>	<b>2,749.80</b>	<b>1,279.97</b>	<b>2,592.24</b>	<b>6,622.01</b>

**6.4 Reconciliation of ECL balance**

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>148.83</b>	<b>248.91</b>	<b>1,681.09</b>	<b>2,078.83</b>
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid	(148.83)	(248.91)	(1,681.09)	<b>(2,078.83)</b>
Other movements including partial repayments and interest accruals	-	-	-	-
Increase / (release)	-	-	-	-
<b>Change in staging</b>				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ii) Year Ended March 31,2020**

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>11.71</b>	<b>80.12</b>	<b>50.14</b>	<b>141.97</b>
New assets originated or purchased	23.76	73.20	19.50	<b>116.46</b>
Assets derecognised or repaid	(0.94)	-	(3.94)	<b>(4.88)</b>
Other movements including partial repayments and interest accruals	1.48	127.67	12.88	<b>142.03</b>
Increase / (release)	377.56	1,791.82	85.80	<b>2,255.18</b>
<b>Change in staging</b>				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(150.96)	150.96	-	-
Transfers to Stage 3	(113.78)	(1,974.86)	2,088.64	-
Amounts written off	-	-	(571.93)	<b>(571.93)</b>
<b>Closing balance</b>	<b>148.83</b>	<b>248.91</b>	<b>1,681.09</b>	<b>2,078.83</b>

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>7. Investments</b>		
<b>I Investments at cost</b>		
Investment in Subsidiary		
Altico Housing Finance India Limited (10,000 Equity shares of Rs. 10/- each)	(I) -	0.01
<b>II Investments at fair value through profit or loss</b>		
Security receipts of trusts	(II) 31.95	31.95
<b>Total Gross Investments (I + II)</b>	<u>31.95</u>	<u>31.96</u>
<b>III Less: Impairment loss allowance</b>	(III) 31.95	31.95
<b>Total Net Investments</b>	<u><u>-</u></u>	<u><u>0.01</u></u>
<b>Of the Above</b>		
a) Investments outside India	-	-
b) Investment in India	31.95	31.96
<b>Total Gross</b>	<u>31.95</u>	<u>31.96</u>
Less: Impairment loss allowance	31.95	31.95
<b>Total Net</b>	<u><u>-</u></u>	<u><u>0.01</u></u>

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>8. Other financial assets</b>		
Unsecured, considered good		
a) Security deposits	2.58	3.00
b) Receivable from employees	-	-
	2.58	3.00
Less: Impairment loss allowance	0.40	-
<b>Total</b>	<b>2.18</b>	<b>3.00</b>
<b>9. Current tax assets (net)</b>		
<b>Current tax assets (net)</b>	158.79	170.62
[Net of provision for income tax Rs. 546.56 Crores (As at March 31, 2020 - Rs. 546.56 Crores)]		
Less: Provision against TDS receivables	(88.89)	-
<b>Total</b>	<b>69.90</b>	<b>170.62</b>
<b>10. Deferred tax assets (net)</b>		
<b>A. Deferred tax assets</b>		
a) Differences in depreciation on fixed assets	0.67	0.40
Effective interest rate for amortisation of fee income	-	13.86
Provision for other receivables	3.22	1.68
Provision for Leave Encashment	0.50	0.51
Provision for deferred employee benefits	3.35	2.44
ECL provision on financial assets	8.04	531.24
Provision for Gratuity	0.58	0.60
Fair value changes	-	29.70
Unpaid interest on borrowings	-	23.27
<b>Total Deferred tax Assets</b>	16.36	603.70
<b>B. Deferred Tax liabilities</b>		
a) Effective interest rate for amortisation of financial expenses	-	4.55
<b>Total Deferred Tax liabilities</b>	-	4.55
DTA not recognized due to no reasonable certainty of future profits	16.36	599.15
<b>Net Deferred tax assets / (Deferred tax liabilities)</b>	<b>-</b>	<b>-</b>

**B.** For yearly movement in balances of deferred tax assets/( liabilities) refer Note no. - 29.3

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

11.

Particulars	Property, plant and equipment							Right-of-use assets	Intangible assets
	Buildings	Furniture & Fixtures	Computer Equipment	Leasehold Improvements	Office Equipment	Vehicles	Total	Total	Total
	(A)	(B)	(C)	(D)		(E)	F = (A+B+C+D+E)		
<b>A. Gross carrying amount</b>									
Balance at April 01, 2019	0.44	1.77	0.60	4.67	0.60	0.07	8.15	-	0.77
Addition	-	-	0.13	-	0.01	-	0.14	9.77	0.17
Disposal	-	-	0.01	-	0.03	-	0.04	-	-
<b>Balance at March 31, 2020</b>	<b>0.44</b>	<b>1.77</b>	<b>0.72</b>	<b>4.67</b>	<b>0.58</b>	<b>0.07</b>	<b>8.25</b>	<b>9.77</b>	<b>0.94</b>
Addition	-	-	0.05	-	-	-	0.05	-	-
Disposal	-	-	0.05	-	0.03	-	0.08	9.77	-
<b>Balance at March 31, 2021</b>	<b>0.44</b>	<b>1.77</b>	<b>0.72</b>	<b>4.67</b>	<b>0.55</b>	<b>0.07</b>	<b>8.22</b>	<b>-</b>	<b>0.94</b>
<b>B. Accumulated Depreciation / amortisation</b>									
Balance at April 01, 2019	0.04	-	0.05	0.74	0.22	0.04	1.09	-	0.32
Depreciation / Amortisation expense	0.02	0.19	0.27	1.09	0.10	0.02	1.69	3.26	0.13
Disposal	-	-	0.01	-	0.02	-	0.03	-	-
<b>Balance at March 31, 2020</b>	<b>0.06</b>	<b>0.19</b>	<b>0.31</b>	<b>1.83</b>	<b>0.30</b>	<b>0.06</b>	<b>2.75</b>	<b>3.26</b>	<b>0.45</b>
Depreciation / Amortisation expense	0.02	0.19	0.21	1.04	0.09	0.01	1.56	3.26	0.15
Impairment loss	-	-	-	-	-	-	-	-	0.32
Disposal	-	-	0.05	-	0.03	-	0.08	6.52	-
<b>Balance at March 31, 2021</b>	<b>0.08</b>	<b>0.38</b>	<b>0.47</b>	<b>2.87</b>	<b>0.36</b>	<b>0.07</b>	<b>4.23</b>	<b>-</b>	<b>0.92</b>
<b>C. Net carrying amount (A-B)</b>									
As at March 31, 2020	0.38	1.58	0.41	2.84	0.28	0.01	5.50	6.51	0.49
As at March 31, 2021	0.36	1.39	0.25	1.80	0.19	-	3.99	-	0.02
<b>D. Depreciation, Amortisations and impairment for the year</b>									
	For the year ended March 31, 2021	For the year ended March 31, 2020							
a) Depreciation on property, plant and equipment	1.56	1.69							
b) Depreciation on right-of-use assets	3.26	3.26							
c) Amortisation of intangible assets	0.15	0.13							
d) Impairment of intangible assets	0.32	-							
<b>Total</b>	<b>5.29</b>	<b>5.08</b>							

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>12. Other non financial assets</b>		
Unsecured, considered good unless otherwise provided		
a) Prepaid expenses	1.65	2.29
b) Balances with statutory authorities	9.97	7.09
	<u>11.62</u>	<u>9.38</u>
Less: Provision for doubtful assets	5.93	4.28
<b>Total</b>	<u><u>5.69</u></u>	<u><u>5.10</u></u>
<b>13. Trade payables</b>		
a) total outstanding dues of micro enterprises and small enterprises	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	17.02	20.62
	<u>17.02</u>	<u>20.62</u>
<b>Total</b>	<u><u>17.02</u></u>	<u><u>20.62</u></u>

Note:

For disclosure pertaining to Micro and Small Enterprises refer note No. 35

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>14. Debt securities</b>		
<b>14.1</b>		
At amortised cost		
<b>A. Secured</b> (Refer Note 14.3)		
a) Non convertible debentures (listed, fully paid and privately placed)	110.85	1,542.62
<b>(A)</b>	<u>110.85</u>	<u>1,542.62</u>
<b>B. Unsecured</b> (Refer Note 14.3)		
a) Non convertible debentures (listed, fully paid and privately placed)	0.87	9.60
<b>(B)</b>	<u>0.87</u>	<u>9.60</u>
<b>Total (A + B)</b>	<u><u>111.72</u></u>	<u><u>1,552.22</u></u>
<b>14.2</b>		
i) Debt securities in India	111.72	1,552.22
ii) Debt securities outside India	-	-
<b>Total</b>	<u><u>111.72</u></u>	<u><u>1,552.22</u></u>

**14.3 Terms of repayment, nature of security & rate of interest in case of secured and unsecured loans:**

Particulars*	Rate of interest: Not applicable #	Rate of interest: 9.11% - 12.5%
Due in April - 2020	-	1,534.77
Other movements (net) including Interest accrued but not due and unamortised expenses	-	17.45
Payable per the terms of the settlement agreement.	111.72	-
<b>Total</b>	<u><u>111.72</u></u>	<u><u>1,552.22</u></u>

# - In terms of the settlement agreement dated March 2, 2021 entered in to by the Company with the lenders, no interest is payable and amounts outstanding as at March 31, 2021 will be paid as per the terms of the settlement agreement.

\* Out of above, As at March 31, 2020 outstanding NCDs worth Rs. 1,472.00 crores were recalled and the balance NCDs worth Rs 63.00 crores were accelerated due to cross default.

**Nature of Security:**

As at March 31, 2020 - Secured by a first pari passu charge on all the present and future receivables of the Company excluding receivables charged to secure redeemable non convertible debentures of Rs. 463.00 Crores (Outstanding Rs. 457.04 Crores).

**15. Borrowings (Other than debt securities)**
**15.1 Borrowings at amortised cost**

<b>I</b>	a) Term Loans (Secured)		
	i) from banks	94.83	1,364.11
	ii) from others	44.59	619.39
	b) Repayable on demand (Secured)		
	i) Bank Overdraft from banks	3.73	47.28
	c) Other loans		
	i) External commercial borrowings (Secured)	34.40	681.25
	ii) Working capital loans (Secured)	5.89	79.27
	<b>Total</b>	<u><u>183.44</u></u>	<u><u>2,791.30</u></u>
	<b>Of the Above</b>		
<b>II</b>	i) Borrowings in India	183.44	2,791.30
	ii) Borrowings outside India	-	-
	<b>Total</b>	<u><u>183.44</u></u>	<u><u>2,791.30</u></u>

**15.2** The Company does not have any borrowings classified and accounted as Fair value through profit and loss and Fair value through other comprehensive income

**Altico Capital India Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**15. Borrowings (Other than debt securities) Continued**

**15.3 Terms of repayment, nature of security & rate of interest in case of secured loans:**

**a) As at March 31, 2021**

In terms of the settlement agreement dated March 2, 2021 entered in to by the Company with the lenders, amounts outstanding as at March 31, 2021 will be paid as per the terms of the settlement agreement.

**b) As at March 31, 2020**

**b.i) Term loans:**

Particulars *	Rate of Interest	Secured/ Unsecured	Repayment terms	As at March 31, 2020
Non-bank 1	9.9% - 11.25%	Secured	Repayment in 11 quarterly installments over the tenor of 33 months after 3 months of moratorium from date of first disbursement	21.48
Bank 1	9.9% - 11.25%	Secured	Repayment in 12 quarterly installments starting from the following quarter from the date of full disbursement	16.67
Bank 2	9.9% - 11.25%	Secured	Repayment in 12 quarterly installments starting from the following quarter from the date of full disbursement	25.00
Bank 3	9.9% - 11.25%	Secured	Repayment in 18 equal quarterly installments commencing 6 months from the date of first disbursement	225.35
Bank 4	9.9% - 11.25%	Secured	Repayment in 10 equal quarterly installments beginning from 9 months from date of first disbursement	19.28
Bank 9	9.9% - 11.25%	Secured	Repayment in 8 equal consecutive quarterly installments, with first installment due at the end of 12 months from the first disbursement	3.28
Bank 8	9.9% - 11.25%	Secured	Repayment in 8 equal consecutive quarterly installments, with first installment due at the end of 12 months from the first disbursement	50.00
Bank 6	9.9% - 11.25%	Secured	Repayment in 13 equal consecutive quarterly installments with first installment due at the end of 3 months from first disbursement	61.52
Bank 5	9.9% - 11.25%	Secured	Repayment in 13 equal consecutive quarterly installments with first installment due at the end of 3 months from first disbursement	34.61
Bank 19	9.9% - 11.25%	Secured	Repayment in 13 equal quarterly installments commencing after 3 months from first disbursement	46.15
Bank 10	9.9% - 11.25%	Secured	Repayment in 10 equal quarterly installments after a moratorium period of 6 months	19.30
Bank 11	9.9% - 11.25%	Secured	Repayment in 8 equal quarterly installments after an initial moratorium of 12 months	36.12
Non-bank 7	9.9% - 11.25%	Secured	Repayment in 8 equal consecutive quarterly installments after 12 months moratorium from first disbursement	24.05
Non-bank 8	9.9% - 11.25%	Secured	Repayment in 8 equal consecutive quarterly installments with first installment due after 12 months of first disbursement	42.17
Bank 12	9.9% - 11.25%	Secured	Repayment in 8 quarterly installments commencing after 12 months from date of first disbursement	12.06
Bank 14	9.9% - 11.25%	Secured	Repayment in 9 quarterly installments commencing after 12 months from date of first disbursement	96.44
Bank 13	9.9% - 11.25%	Secured	Repayment in 10 equal quarterly installments commencing after 6 months of moratorium after date of first disbursement	241.11
Bank 15	9.9% - 11.25%	Secured	Repayment in 9 equal quarterly installments starting from 12 months from first disbursement	21.44
Bank 16	9.9% - 11.25%	Secured	Repayment in 10 equal quarterly installments commencing after 6 months of moratorium after date of first disbursement	15.46
Bank 17	9.9% - 11.25%	Secured	Repayment in 8 equal consecutive quarterly installments with first installment due after 9 months of first disbursement	11.96
Bank 18	9.9% - 11.25%	Secured	Repayment in 9 quarterly installments after initial moratorium period of 3 quarters	386.07
Non-bank 2	9.9% - 11.25%	Secured	Repayment in 10 equal consecutive quarterly installments, with first installment due at the end of 9 months from first disbursement	77.22
Non-bank 3	9.9% - 11.25%	Secured	Repayment in 10 equal consecutive quarterly installments, with first installment due at the end of 9 months from first disbursement	38.61
Non-bank 10	9.9% - 11.25%	Secured	Bullet repayment at the end of 12 months from disbursement	48.27
Non-bank 4	9.9% - 11.25%	Secured	Repayment in 6 equal six-monthly installments from the date of first drawdown	48.20
Non-bank 5	9.9% - 11.25%	Secured	Repayment in 10 equal quarterly installments after a moratorium period of 6 months	24.08
Non-bank 11	9.9% - 11.25%	Secured	Repayment in 3 equal monthly installments due at the end of 10th, 11th and 12th month from disbursement	96.87
Non-bank 6	9.9% - 11.25%	Secured	6 month moratorium followed by equal quarterly principal repayment in 18 quarterly installments	174.74
Non-bank 9	9.9% - 11.25%	Secured	Repayment in 6 equal quarterly installments with first installment due at the end of 9 months from date of first disbursement	6.44
Other movements (net) including Interest accrued but not due and unamortised expenses				59.57
<b>Total</b>				<b>1,983.50</b>

\* Out of the above, Term Loan of Rs. 862 crores of Term Loan has been recalled by the lenders and the balance Rs 1062 crores have been accelerated due to cross default

**Nature of Security:**

Secured by a first pari passu charge on all the present and future receivables of the Company excluding receivables charged to secure redeemable non convertible debentures of ₹4,630,000,000 (Outstanding as on 31st March 2020 - ₹ 457,03,99,772).

**Altico Capital India Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**15. Borrowings (Other than debt securities) Continued**

**15.3 Terms of repayment, nature of security & rate of interest in case of secured loans:**

**b.ii) External commercial borrowings (Secured):**

Particulars *	Rate of Interest	Secured/ Unsecured	Repayment terms	As at March 31, 2020
Bank 20	10.35% - 11.65%	Secured	3 equal annual installment at the end 24th, 36th and 48th month from first disbursal	320.00
Bank 21	10.35% - 11.65%	Secured	3 equated annual installments at the end of Year 4, Year 5 and Year 6 from the first disbursement date	340.00
Other movements (net) including Interest accrued but not due and unamortised expenses				21.25
<b>Total</b>				<b>681.25</b>

\* ECBs amounting Rs. 208 crores were recalled and the balance ECBs of Rs 452 Cr were accelerated due to cross default

**Nature of Security:**

Secured by a first pari passu charge on all the present and future receivables of the Company excluding receivables charged to secure redeemable non convertible debentures of ₹463 Crores (Outstanding as on 31st March 2020 - ₹ 457.04 Crores).

**b.iii) Working capital loans (Secured):**

Particulars *	Rate of Interest	Secured/ Unsecured	Repayment terms	As at March 31, 2020
Bank 22	0.103	Secured	Annual renewal facility	46.83
<b>Total</b>				<b>46.83</b>

\* Outstanding working capital loan were accelerated due to cross default

**Nature of Security:**

Secured by a first pari passu charge on all the present and future receivables of the Company excluding receivables charged to secure redeemable non convertible debentures of ₹463 Crores (Outstanding as on 31st March 2020 - ₹ 457.04 Crores).

**b.iv) Loans repayable on demand (Secured):**

Particulars *	Rate of Interest	Secured/ Unsecured	Repayment terms	As at March 31, 2020
Bank 23	9.80%	Secured	Bullet repayment within 12 months	75.00
Other movements (net) including Interest accrued and not due				4.27
<b>Total</b>				<b>79.27</b>

\* Outstanding loan was recalled by the Bank

**Nature of Security:**

Secured by a first pari passu charge on all the present and future receivables of the Company excluding receivables charged to secure redeemable non convertible debentures of ₹463 Crores (Outstanding as on 31st March 2020 - ₹ 457.04 Crores).

**15.4 Net debt reconciliation**

Particulars	As at March 31, 2021	As at March 31, 2020
Debt securities	111.72	1,552.22
Borrowings (other than debt securities)	183.44	2,791.30
<b>Total</b>	<b>295.16</b>	<b>4,343.52</b>

Particulars	Amount in Crores
<b>Net debt as at 1 April 2019</b>	<b>5,318.95</b>
Proceeds from debt securities	97.00
Proceeds from borrowings other than debt securities	501.75
Repayment of debt securities	(895.43)
Repayment of borrowings other than debt securities	(762.31)
Interest expense	519.97
Interest paid	(441.80)
Other movements (Finance charges)	5.39
<b>Net debt as at 31 March 2020</b>	<b>4,343.52</b>
Proceeds from debt securities	-
Proceeds from borrowings other than debt securities	-
Repayment of debt securities	(454.25)
Repayment of borrowings other than debt securities	(2,233.58)
Interest expense	424.12
Interest paid	-
Write back of borrowings (including interest accrued) (Refer note No. 44)	(1,772.37)
Other movements	(12.28)
<b>Net debt as at 31 March 2021</b>	<b>295.16</b>

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

	As at March 31, 2021	As at March 31, 2020
<b>16. Other financial liabilities</b>		
Other Financial Liabilities	0.05	0.43
<b>Total</b>	<b>0.05</b>	<b>0.43</b>
<b>17. Provisions</b>		
Provision for Employee Benefits		
i) Gratuity (Refer Note - 38.B)	2.31	2.37
ii) Compensated absences	1.99	2.04
iii) Others - Bonus	13.33	13.33
<b>Total</b>	<b>17.63</b>	<b>17.74</b>
<b>18. Other non-financial liabilities</b>		
Statutory dues payable	0.83	2.35
Lease liabilities	-	6.51
<b>Total</b>	<b>0.83</b>	<b>8.86</b>

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**19. Equity share capital****a) Share capital authorised, issued, subscribed and paid up**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity Shares of Rs. 10 each	794,850,000	794.85	794,850,000	794.85
0% Cumulative Redeemable Preference Shares ('CRPS') of face value of Re. 1 each	51,500,000	5.15	51,500,000	5.15
	<b>846,350,000</b>	<b>800.00</b>	<b>846,350,000</b>	<b>800.00</b>
<b>Issued, Subscribed and fully paid up:</b>				
Equity Shares of Rs. 10 each	534,381,215	534.38	534,381,215	534.38
	<b>534,381,215</b>	<b>534.38</b>	<b>534,381,215</b>	<b>534.38</b>

**b) Reconciliations of the number of equity shares and share capital :**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed and fully paid up:</b>				
Outstanding at the beginning of year	534,381,215	534.38	534,381,215	534.38
Add: Shares issued during year	-	0.00	-	-
<b>Outstanding at the end of the year</b>	<b>534,381,215</b>	<b>534.38</b>	<b>534,381,215</b>	<b>534.38</b>

**c) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

During the Year ended March 31, 2021, the amount of per share dividend recognised as distributions to Equity Shareholders was Rs. Nil (P.Y Rs. Nil).

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. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Shares reserved for issue under options**

Information relating to the Altico Capital India Limited Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in *note 36*.

**e) Shares of the Company held by the holding/ultimate holding Company**

100% equity shares held by holding Company India Credit Pte Limited (ICPL), directly or through its nominees. There has been no change in the holding pattern in the last 3 years.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>20. Other equity</b>		
a) Securities premium	1,594.40	1,594.40
b) Special Reserve under section 45 IC of RBI Act, 1934	218.51	218.51
c) Capital Redemption reserve	5.11	5.11
d) Share options outstanding account	20.54	22.76
e) Retained earnings	(2,278.61)	(1,565.21)
<b>Total</b>	<b>(440.05)</b>	<b>275.57</b>

#### A. Nature and purpose of reserves

##### a. Securities premium reserve

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

##### b. Special Reserve under section 45 IC of RBI Act, 1934

Special reserve is created as per the requirement of RBI at the rate of 20% of the profit after tax for the year. Transfer to special reserve in current year is not done as the Company is in net loss position for year ended March 31, 2021 (Previous year transfer - Rs. Nil).

##### c. Capital Redemption reserve

As per Companies Act, 2013, capital redemption reserve is created at the time of redemption of preference shares.

##### d. Share options outstanding account

The share options outstanding account reserve is used to recognise the grant date fair value of options issued to employees under the Company's ESOP 2015 plan. Please refer note 39 for the details of the plan.

##### e. Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

##### f. Other Comprehensive income

It represents the gain / loss on account of actuarial valuation of defined benefit obligation.

#### B. Movement in Other equity

	As at March 31, 2021	As at March 31, 2020
<b>a) Securities premium</b>		
Opening balance	1,594.40	1,594.40
Add : Premium Received on issue of equity shares	-	-
<b>Closing Balance</b>	<b>1,594.40</b>	<b>1,594.40</b>
<b>b) Statutory reserve</b>		
Opening balance	218.51	218.51
Add : Transfer from retained earnings	-	-
<b>Closing Balance</b>	<b>218.51</b>	<b>218.51</b>
<b>c) Capital Redemption reserve</b>		
Opening balance	5.11	5.11
Add : Addition during the year	-	-
<b>Closing Balance</b>	<b>5.11</b>	<b>5.11</b>
<b>d) Employee stock options</b>		
Opening balance	22.76	27.31
Add : Additions during the year	-	5.70
Less : Transfer to Retained earnings	(2.22)	(10.25)
<b>Closing Balance</b>	<b>20.54</b>	<b>22.76</b>
<b>e) Retained Earnings</b>		
Opening balance	(1,565.21)	650.49
Add: Profit for the year	(715.73)	(2,225.69)
Add: Other comprehensive income	0.11	(0.26)
<b>Amount available for appropriation</b>	<b>(2,280.83)</b>	<b>(1,575.46)</b>
<b>Appropriations:</b>		
Less: Transfer to statutory reserve	-	-
Add: Transfer from share based payment reserve	2.22	10.25
<b>Closing Balance</b>	<b>(2,278.61)</b>	<b>(1,565.21)</b>
<b>(a+b+c+d+e)</b>	<b>(440.05)</b>	<b>275.57</b>

**Altico Capital India Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>21. Interest income</b>		
a) On financial assets measured at amortised cost		
i) Interest income on loans	780.94	1,113.61
ii) Interest Income on Fixed deposits	3.60	19.11
<b>Total</b>	<b>784.54</b>	<b>1,132.72</b>
<b>22. Net gain / (loss) on fair value changes</b>		
<b>Net gain / (loss) on financial instruments at FVTPL</b>		
i) Gain on mutual fund investments	-	5.82
ii) Loans	-	(116.71)
iii) Investment in security receipts	-	(31.95)
<b>Total Gain / (Loss)</b>	<b>-</b>	<b>(142.84)</b>
<b>Above Fair Value changes:</b>		
i) Realised	-	5.82
ii) Unrealised	-	(148.66)
<b>Total</b>	<b>-</b>	<b>(142.84)</b>
<b>23. Other income</b>		
a) Write back of borrowings (including interest accrued) (Refer note No. 44)	1,772.37	-
b) Other income	2.38	0.01
<b>Total</b>	<b>1,774.75</b>	<b>0.01</b>

**Altico Capital India Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>24. Finance costs</b>		
<b>On Financial liabilities measured at amortised cost</b>		
a) Interest on borrowings (other than debt securities)	261.57	325.97
b) Interest on debt securities	162.55	193.99
c) Bank charges	0.06	0.07
d) Others	0.82	-
<b>Total</b>	<b>425.00</b>	<b>520.03</b>
<b>25. Net loss on derecognition of financial assets</b>		
a) Loss on sale of loans carried at amortised cost (Refer note no. 44)	2,774.88	-
b) Net loss on derecognition of loans carried at amortised cost	-	2.54
<b>Total</b>	<b>2,774.88</b>	<b>2.54</b>
<b>26. Impairment on financial instruments &amp; other assets</b>		
Impairment loss allowance (Refer Note - 41.a )		
a) On Financial assets measured at amortised cost		
i) Loans	-	1,936.85
ii) Other receivables	3.77	2.39
b) Write off of loans	38.01	571.93
c) Provision for other assets	90.55	4.28
<b>Total</b>	<b>132.33</b>	<b>2,515.45</b>
<b>27. Employee Benefits Expenses</b>		
a) Salaries, bonus and allowances	17.14	35.21
b) Contribution to provident fund and other funds	1.07	1.86
c) Gratuity expense	0.16	0.22
d) Compensated absences	0.68	1.13
e) Employee stock option expense	-	5.70
f) Staff welfare	2.96	4.23
<b>Total</b>	<b>22.01</b>	<b>48.35</b>
<b>28. Others expenses</b>		
a) Auditor's fees and expenses (Refer note below)	0.36	0.36
b) Communication cost /IT expenses	0.45	0.42
c) Directors fees, allowances	-	3.31
d) Expenditure towards corporate social responsibility (refer note 28.2)	-	0.24
e) Fees and subscription	0.51	-
f) Legal and professional fees	22.30	37.91
g) Rates, duties and taxes	3.67	4.83
h) Rent	2.37	1.83
i) Repairs and maintenance	1.40	1.41
j) Travelling and conveyance	0.07	1.95
k) Miscellaneous expenses	1.38	3.44
<b>Total</b>	<b>32.51</b>	<b>55.70</b>
<b>28.1 Breakup of Auditors' remuneration</b>		
a) Statutory Audit	0.23	0.20
b) Limited review	0.07	0.07
c) Tax audit	0.04	0.04
d) Other Services	0.02	0.04
e) Out of pocket expenses	-	0.01
<b>Total</b>	<b>0.36</b>	<b>0.36</b>
<b>28.2 Contribution for corporate social responsibility (CSR)</b>		

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the period Rs. Nil (previous year Rs. 8.47 Crores). Amount spent towards CSR during the year and recognised as expense in the statement of profit and loss on CSR related activities is Rs. Nil (previous year Rs. 0.24 crores). These were related to other than construction/acquisition of any asset.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 29. Disclosure pursuant to Ind AS 12 “Income Taxes”

##### 29.1 Major components of tax expense/(income):

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>I. Profit and Loss section</b>		
(i) Current income tax:		
Current income tax expense	-	3.03
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	-	71.12
<b>Income tax expense reported in Profit and Loss (i + ii)</b>	<b>-</b>	<b>74.15</b>

As per the requirement of IND AS 12, Deferred tax asset (DTA) could be recognised only when there is reasonable certainty with respect to future taxable profits. Currently, Company doesn't have reasonable basis of carrying DTA in its books, accordingly no deferred tax asset have been created in books in current year. In FY2019-20, previously recognised DTA was reversed through statement of Profit and Loss.

##### 29.2 Reconciliation of tax expense and the accounting profit

A reconciliation between the tax expense and the accounting profit multiplied by applicable effective tax rate is as follows:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Profit before tax	(715.73)	(2,151.54)
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	(180.13)	(541.50)
(d) Tax effect of the amount which are not taxable in calculating taxable income :		
(i) Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
<b>Allowances</b>		
Tax on temporary differences on which deferred tax is either not created or reversed due to no	180.13	614.16
<b>Disallowances</b>		
CSR contribution	-	0.06
Fair valuation of employee stock options as per Ind AS 102	-	1.43
Others	-	-
<b>Total effect of tax adjustments [(i) to (vii)]</b>	<b>180.13</b>	<b>615.65</b>
(e) <b>Income tax expense reported in Profit and Loss</b>	<b>-</b>	<b>74.15</b>
(f) Income tax expense reported in the OCI section	-	-
(g) <b>Total Income tax expense (e+f)</b>	<b>-</b>	<b>74.15</b>
(h) <b>Effective tax rate (h)=(g)/(a)</b>	<b>0.00%</b>	<b>-3.45%</b>

##### 29.3 Movement in Deferred Taxes

###### (A) Movement in deferred tax balances for the year ended March 31, 2021

As per the requirement of IND AS 12, Deferred tax asset (DTA) could be recognised only when there is reasonable certainty with respect to future taxable profits. Currently, Company doesn't have reasonable basis of carrying DTA in its books, accordingly no deferred tax asset have been created in books in current year.

###### (B) Movement in deferred tax balances for the year ended March 31, 2020

Particulars	As at April 01, 2019	Recognised in profit and loss	Recognised in OCI	As at March 31, 2020
<b>Deferred tax asset/ (liabilities)</b>				
i) Differences in depreciation on fixed assets	0.37	(0.37)	-	-
ii) Effective interest rate for amortisation of fee income	31.60	(31.60)	-	-
iii) Provision for other receivables	0.25	(0.25)	-	-
iv) Provision for Leave Encashment	0.73	(0.73)	-	-
v) Provision for deferred employee benefits	2.64	(2.64)	-	-
vi) Impairment on financial instruments	48.11	(48.11)	-	-
vii) Provision for Gratuity	0.72	(0.72)	-	-
viii) Fair value changes	0.10	(0.10)	-	-
ix) Effective interest rate for amortisation of financial	(13.40)	13.40	-	-
<b>Total</b>	<b>71.12</b>	<b>(71.12)</b>	<b>-</b>	<b>-</b>

###### (C) Amounts recognised in respect of current tax / deferred tax directly in equity:

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**30. Operating lease commitments**

- a) The Company's leased assets mainly comprise office building and servers taken on lease. Leases contain a wide range of different terms and conditions.

<b>Total lease liabilities are analysed</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<u>Denominated in the following currencies:</u>		
Rupees	-	6.51
Foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>6.51</b>

The Company does not intend to continue the current lease for the entire balance period and is in process of pre-terminating lease, accordingly no lease liability is carried as at March 31, 2021.

**b) Maturity of Lease liability**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Current	-	3.94
Non-Current	-	2.57
<b>Total</b>	<b>-</b>	<b>6.51</b>

**c) The following amounts were recognised as expense in the year:**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Depreciation of right-of-use assets	3.26	3.26
Expense relating to variable lease payments	-	-
Expense relating to short-term leases and low-value assets	-	-
Interest on lease liabilities	-	-
<b>Total</b>	<b>3.26</b>	<b>3.26</b>

The following are the undiscounted contractual cash flows of lease liabilities.

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Less than 1 year	1.97	3.94
Between 1 to 2 years	-	3.94
Between 2 to 5 years	-	-
<b>Total</b>	<b>1.97</b>	<b>7.88</b>

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**31. Earning per Share**

	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Basic earning per share</b>		
a) Profit after tax attributable to equity shareholders for Basic EPS	(715.73)	(2,225.69)
b) Weighted average no. of equity shares outstanding during the year	534,381,215	534,381,215
c) Nominal value of equity shares (Rs. per share)	10.00	10.00
d) Basic earnings per share (EPS) (Rs. per share)	(13.39)	(41.65)

**32. Commitments and contingencies**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>A. Contingent liabilities</b>		
i) Bonus to employees for FY 2019-20	-	8.00
<b>B. Capital commitments</b>	-	-

**33.** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

**34.** The Company has evaluated the Supreme Court Judgment in case of Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In Company's assessment, the above judgement is not likely to have a significant impact and therefore presently no provision has been made in the Financial Statements.

**35. Dues to Micro, Small Enterprises**

Disclosure pertaining to Micro and Small Enterprises is as under - The details of amounts outstanding together with interest paid /payable to Micro and Small enterprises based on information available with the Company is as under:

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
i) Amounts outstanding but not due as at March 31/April 1,	-	-
ii) Amounts due but unpaid as at March 31/April 1,	-	-
iii) Amounts paid after appointed date during the year	-	-
iv) Amount of interest accrued and unpaid as at March 31/April 1,	-	-
v) Amount of estimated interest due and payable for the period from March 31/April 1, to actual date of payment or Board meeting date (whichever is earlier)	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years	-	-

**36. Segment Reporting**

The Company has only one reportable segment i.e. 'wholesale financing' in real estate. The Company does not have any operations outside India and hence there are no reportable geographical segments.

The segment revenue, segment results, total carrying value of segment assets and segment liabilities, total costs incurred to acquire segment assets, total amount of charge of depreciation during the period are all reflected in the Financial Statements. No single customer contributes more than 10% of the total revenue earned during the year.

Post exit of CEO and COO of the Company last year, the Company had appointed executive committee of three senior executives to carry out the day to day affairs of the Company.

**Altico Capital India Limited**

**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**37. Related Party Disclosure**

**37.1 List of Related Parties and their relationship:**

i) <b>Holding Company</b>	India Credit Pte Limited (ICPL)
ii) <b>Key Management Personnel</b>	Dhruv Jain- Chief Financial Officer Sanjay Grewal - Chief Executive Officer (till 25th Sept 2019) Sanjeev Agrawal - Chief Executive Officer (from 15th Oct 2019 till 25th Nov 2019) Binoy K Parikh – Company Secretary (till 19th March 2020)
iii) <b>Subsidiary</b>	Altico Housing Finance India Limited ("AHFC")
iv) <b>Associate</b>	Fiera Capital Investment Advisors India Private Limited (erstwhile Clearwater Investment Advisors India Private Limited)
v) <b>Chairman &amp; Independent Non-Executive Director</b>	Naina Lal Kidwai (till September 03, 2019) Vishal Kumar (till September 03, 2019)
vi) <b>Independent Non-Executive Director</b>	Stephen Marzo Rahul Merchant
vi) <b>Entity within common control</b>	ACRE - 81 Trust Alchemist -XXXXIX Trust

**37.2 Transactions with Related parties during the year**

No.	Nature of Transaction	Name of Party	Year Ended March 31,	
			2021	2020
	<b>Commission</b>	Naina Lal Kidwai	-	0.85
		Rahul Merchant	-	0.59
		Stephen Marzo	-	1.21
	<b>Sitting fees</b>	Naina Lal Kidwai	-	0.05
		Rahul Merchant	-	0.16
		Stephen Marzo	-	0.30
	<b>Reimbursement of expenses</b>	Naina Lal Kidwai	-	0.04
		Stephen Marzo	-	0.12

**Remuneration to Key Management Personnel:  
For the year ended March 31, 2021**

Particulars	Employee benefits	Post-employment benefits	Share based payments	Total
Dhruv Jain - Chief Financial Officer	1.36	0.11	-	1.47
<b>Total</b>	<b>1.36</b>	<b>0.11</b>	<b>-</b>	<b>1.47</b>

**For the year ended March 31, 2020**

Particulars	Employee benefits	Post-employment benefits	Share based payments	Total
Dhruv Jain - Chief Financial Officer	1.69	0.18	0.13	2.00
Sanjay Grewal - Chief Executive Officer	1.57	0.28	0.52	2.37
Sanjeev Agrawal - Chief Executive Officer	2.36	0.06	-	2.42
Binoy K Parikh - Company Secretary	0.42	0.04	0.02	0.48
<b>Total</b>	<b>6.04</b>	<b>0.56</b>	<b>0.67</b>	<b>7.27</b>

**37.3 Balances as at year end with related parties:**

No.	Particulars	Name of Party	As at March 31,	As at March 31,
			2021	2020
	<b>Receivable</b>	Altico Housing Finance India Limited	-	0.04
		ACRE - 81 Trust	2.96	2.96
		Alchemist -XXXXIX Trust	3.91	3.91
	<b>Receivable from directors (commission recoverable):</b>	Naina Lal Kidwai	-	0.85
		Rahul Merchant	-	0.63
		Stephen Marzo	-	0.89
	<b>Investment</b>	Altico Housing Finance India Limited	-	0.01
	<b>Investment in Security receipts *</b>	ACRE - 81 Trust	16.65	16.65
		Alchemist -XXXXIX Trust	15.30	15.30

\* Security receipts is measured at FVTPL and it's fair value is Rs. 0.

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**38. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'**
**A. Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Provident fund	1.07	1.86

**B. Defined Benefit Plan**

I The Company has an obligation towards gratuity, a non funded defined benefit plan covering eligible employees. Vesting for gratuity occurs upon completion of five years of service. Details of the unfunded post retirement benefit plans for its employees are given below which is as certified by the actuary.

Gratuity Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) as below.

**a) Changes in Present Value of Defined Benefit Obligation**

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Present Value of Benefit Obligation at the Beginning of the year</b>	2.37	2.07
Current Service Cost	0.32	0.51
Interest Expense/(Income)	0.12	0.15
Benefit Paid Directly by the Employer	(0.39)	(0.61)
Settlement Cost (Credit)/Cost	-	-
<b>Total Amount Recognised in Profit and Loss</b>	<b>0.05</b>	<b>0.05</b>
Actuarial (Gain)/loss from change in demographic assumptions	(0.03)	(0.15)
Actuarial (Gain)/loss from change in financial assumptions	(0.06)	0.03
Experience (gains)/losses	(0.02)	0.37
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>(0.11)</b>	<b>0.25</b>
<b>Present Value of Benefit Obligation at the End of the year</b>	<b>2.31</b>	<b>2.37</b>

**Change in plan assets:**
**Fair value of plan assets, beginning of the year**

Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial Gain (loss) on plan assets	-	-

**Fair value of plan assets, end of the year**

-	-
---	---

**b) Amount recognized in the balance sheet consists of:**

Present value of defined benefit obligation	2.31	2.37
Fair value of plan assets	-	-
<b>Net liability</b>	<b>2.31</b>	<b>2.37</b>

**c) The amounts recognised in the Statement of Profit and Loss are as follows:**

		Year Ended March 31, 2021	Year Ended March 31, 2020
Service Cost			
Current service cost		0.32	0.51
Past service cost		-	-
<b>Total Service cost</b>	(i)	<b>0.32</b>	<b>0.51</b>
Net interest cost			
Interest expense on DBO		0.12	0.15
Interest expense / (income) on plan assets		-	-
<b>Total Interest cost</b>	(ii)	<b>0.12</b>	<b>0.15</b>
<b>Defined benefit cost included in Statement of Profit and Loss</b>	(iii) - (i + ii)	<b>0.44</b>	<b>0.66</b>
Total remeasurement in other comprehensive income (OCI)	(iv)	(0.11)	0.25
<b>Total Defined benefit cost included in Statement of Profit and loss and OCI</b>	(v) = (iii + iv)	<b>0.33</b>	<b>0.91</b>

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**d) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Discount rate	4.25%	5.21%
Rate of Salary Increase for next 1 year	0.00%	7.50%
Rate of Salary Increase after 1 year	7.50%	7.50%
Rate of employee turnover	35.00%	30.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**e) The major categories of plan assets are as follows:**

	<b>As at March 31,</b>	
	<b>2021</b>	<b>2020</b>
a) Insurer managed funds	-	-
b) Cash	-	-

**f) Impact on defined benefit obligation - Sensitivity Analysis**

	<b>Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Delta Effect of +1% Change in Rate of Discounting	(0.04)	(0.05)
Delta Effect of -1% Change in Rate of Discounting	0.04	0.05
Delta Effect of +1% Change in Rate of Salary Increase	0.04	0.05
Delta Effect of -1% Change in Rate of Salary Increase	(0.03)	(0.05)
Delta Effect of +1% Change in Rate of Employee Turnover	-	(0.01)
Delta Effect of -1% Change in Rate of Employee Turnover	0.01	0.01

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**g) Maturity**

The defined benefit obligations shall mature after year end as follows:

<b>Particulars</b>	<b>As at March 31,</b>	
	<b>2021</b>	<b>2020</b>
i) 1st Following Year	0.82	0.84
ii) 2nd Following Year	0.52	0.46
iii) 3rd Following Year	0.36	0.35
iv) 4th Following Year	0.25	0.26
v) 5th Following Year	0.17	0.20
vi) Sum of Years 6 to 10	0.34	0.45
vii) Sum of Years 11 and above	0.06	0.13

The weighted average duration of the defined benefit obligation is 2 years (previous year - 3 years).

**h) Risk Exposure**

Gratuity is a defined benefit plan and Company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity

**II Accumulated Compensated Absences**

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of actuarial valuation. The Company recognised Rs. 0.68 crore (previous year Rs. 1.13 crore) for compensated absences in the statement of Profit and loss.

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**39. Employee stock option scheme (equity settled)**

**39.01** The Company provides share-based payment schemes to its employees. During the year ended March 31, 2020, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

The board of directors approved the Equity settled Altico Stock based Incentive plan (Scheme 2015) for issue of stock options to the eligible employees of the Company. According to the Scheme, the employee selected by the remuneration committee from time to time will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions per below:

Year	Year wise vesting
1	10%
2	15%
3	20%
4	25%
5	30%

The contractual life (comprising the vesting period and the exercise period) of options granted is 20 years as per the Scheme. The other relevant terms of the grant are as below:

**39.02** Details of scheme of Employee Stock Option Plans are as under :

Tranche details	No. of options	Date of Grant	Price of Underlying Stock (Rs.)	Exercise Price (Rs.)
I	2,962,855	01-Jul-15	39.50	39.50
II	1,242,033	28-Oct-15	43.00	43.00
III	4,426,199	16-Nov-15	43.00	43.00
IV	718,766	08-Mar-16	47.50	47.50
V	1,198,699	23-Mar-16	47.50	47.50
VI	3,355,771	01-Apr-17	62.63	62.63
VII	1,198,699	21-Nov-17	69.90	69.90
VIII	4,713,961	05-Apr-18	74.10	74.10
IX	359,610	01-Oct-18	63.80	63.80
X	700,000	01-Apr-19	65.10	65.10

Set out below is a summary of options granted under the plan:

Particulars	Year Ended March 31,2021		Year Ended March 31,2020	
	Average exercise price	Number of options	Average exercise price	Number of options
Outstanding at the beginning of the year	55.93	12,680,850	55.93	17,590,813
Granted during the year	0.00	-	65.10	700,000
Exercised during the year	0.00	-	0.00	-
Forfeited during the year	0.00	-	0.00	-
Lapsed/expired during the year	57.40	(1,486,871)	57.40	(5,609,963)
<b>Outstanding at the end of the year</b>		<b>11,193,979</b>		<b>12,680,850</b>

**Altico Capital India Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**39. Employee stock option scheme (equity settled)(Continued)**

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	As at March 31, March 31, 2021	As at March 31, 2020
01-Jul-15	23-Sep-19	39.50	2,054,506	2,054,506
28-Oct-15	23-Sep-19	43.00	776,271	776,271
16-Nov-15	23-Sep-19	43.00	1,991,790	1,991,790
08-Mar-16	23-Sep-19	47.50	384,724	384,724
23-Mar-16	23-Sep-19	47.50	1,198,699	1,198,699
01-Apr-17	23-Sep-19	62.63	1,707,984	1,905,124
21-Nov-17	23-Sep-19	69.90	299,675	299,675
05-Apr-18	23-Sep-19	74.10	2,674,369	3,010,451
01-Oct-18	23-Sep-19	63.80	35,961	359,610
01-Apr-19	23-Sep-19	65.10	70,000	700,000
<b>Total</b>			<b>11,193,979</b>	<b>12,680,850</b>

Weighted average remaining contractual life of options outstanding at end of period

-

-

**39.03 Fair value of options granted**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

No options were granted during the year ended March 31, 2021.

The model inputs for options granted during the year ended March 31, 2020 included:

Assumptions / Tranches	Expected - Weighted average volatility	Expected term (in years)	Risk free rate	Exercise price	Grant date
I	0.47 - 0.48	2.50 - 4.25	8.04% - 8.12%	39.50	01-Jul-15
II	0.47 - 0.48	2.50 - 4.00	7.67% - 7.75%	43.00	28-Oct-15
III	0.46 - 0.47	2.50 - 4.00	7.63% - 7.80%	43.00	16-Nov-15
IV	0.46 - 0.47	2.25 - 3.50	7.57% - 7.75%	47.50	08-Mar-16
V	0.46 - 0.47	2.25 - 3.50	7.51% - 7.66%	47.50	23-Mar-16
VI	0.42 - 0.43	1.75 - 2.50	6.54% - 6.62%	62.63	01-Apr-17
VII	0.42 - 0.43	1.50 - 2.00	6.46% - 6.60%	69.90	21-Nov-17
VIII	0.38 - 0.40	1.25 - 1.50	6.68% - 6.75%	74.10	05-Apr-18
IX	0.45	0.98	7.10%	63.80	01-Oct-18
X	0.45	0.98	7.10%	65.10	01-Apr-19

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility.

**39.04 Expense arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Employee stock option scheme (equity settled)	-	5.70
<b>Total</b>	<b>-</b>	<b>5.70</b>

**39.05** The Company has not amortised any ESOP related expenses in the current year. For the year ended March 31, 2020 the Company had amortised entire fair value expense to Statement of Profit and Loss basis the earlier determined date of September 23, 2019. Post implementation of the settlement process, the continuity of these plan depends upon the strategy to be adopted by incoming investor.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 40. Fair Value Measurement

##### 40.A Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1, level 2 and level 3 during the year.

##### 40.B Valuation technique used to determine fair value

###### 40.B.1 Specific valuation techniques used to value financial instruments include:

Based on discounted cashflow method for loans at amortised cost

Under this method, the incremental impact on the discounted cashflows of loans held at amortized cost is estimated based on changes in interest rate on Government securities from the inception of the loan. The government yield is obtained from publically available and quoted rates for Government securities based on tenors . The difference in the government yield is adjusted for change in credit risk based on the loss rates identified for each of the loan asset. The cumulative sum of difference in government yield and loss rates is adjusted in the carrying value using the modified duration. The modified duration measures the sensitivity of the value of financial instrument in nature of loans to change in interest rate.

Based on discounted cashflow method for borrowings at amortised cost

Under this method, the incremental impact on the discounted cashflows of borrowings at amortized cost is estimated based on changes in borrowing rate on latest debt obtained by the Company. The cumulative sum of difference in borrowing rates in case of debt is adjusted in the carrying value using the modified duration. The modified duration measures the sensitivity of the value of financial instrument in nature of debt to change in interest rate.

Based on discounted cashflow method for loan at FVTPL -

Fair valuation is carried out using discounted cash flow method. Cash flows are projected based on the estimates of sell and collections from underlying project. Discount rate is arrived based on debt profile of the borrower and Company's average cost of borrowings.

Based on discounted cashflow method for investments in security receipts at FVTPL -

Fair valuation is carried out using discounted cash flow method. Cash flows are projected based on the realisations from underlying assets. Discount rate is arrived based on expected rate of return.

###### 40.B.2 Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is not applicable as at March 31, 2021 as there are no loans measured at fair value.

**As at March 31, 2020**

**Fair value of loans measured at FVTPL**

-

\* Sensitivity as at March 31, 2020 has not been disclosed as the value of the instruments is zero.

###### 40.B.3 Description of significant unobservable inputs to valuation for Level 3 items (As at March 31, 2020)

Significant unobservable inputs	Relationship of unobservable inputs to fair value
Yield of zero coupon instrument (For fair valuation of loans at amortised cost)	This input is used to calculate movement of zero coupon yield curve ("ZCYC") on loan inception date till year end & this movement is used to calculate the fair valuation movement till year end.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 40.B.3 Description of significant unobservable inputs to valuation for Level 3 items (As at March 31, 2020)

Significant unobservable inputs	Relationship of unobservable inputs to fair value
- Latest yield on loan assets and borrowing	The value of the financial instruments has an inverse relationship with yield and loss rates.
- Loss rates on the loans	The value of the financial instruments has a direct relationship with property rates.
- Property rates	
Debt profile of the borrower and Company's average cost of borrowings.	The value of the financial instruments has an inverse relationship with rate of discounting used.
Discounting rate based on expected rate of return of security receipts	The value of the financial instruments has an inverse relationship with rate of discounting used.

#### 40.B.4 Fair value of financial assets and liabilities measured at amortised cost

Particulars	Level	As at March 31, 2021		As at March 31, 2020	
		Fair Value	Carrying value	Fair Value	Carrying value
<b>Financial assets</b>					
Loans (Gross)	3	-	4,817.07	-	6,621.99
Less: Impairment loss allowance		-	-	-	(2,078.83)
Loans (Net)		-	4,817.07	-	4,543.16
Investments at cost		-	0.01	-	0.01
Trade and other receivables	1	0.02	6.93	0.02	6.93
Cash and Cash equivalents	1	343.24	432.06	343.24	432.06
Bank balance other than cash and cash equivalents above	1	-	27.74	-	27.74
Other financial assets	3	2.18	3.00	2.18	3.00
<b>Total financial assets</b>		<b>345.44</b>	<b>5,286.81</b>	<b>345.44</b>	<b>5,012.90</b>
<b>Financial liabilities</b>					
Debt securities*	3*	111.72	1,552.22	111.72	1,552.22
Borrowings*	3*	183.44	2,791.30	183.44	2,791.30
Trade payables	1	17.02	20.62	17.02	20.62
Other financial liabilities	1	0.05	0.43	0.05	0.43
<b>Total financial liabilities</b>		<b>312.23</b>	<b>4,364.57</b>	<b>312.23</b>	<b>4,364.57</b>

#### As at March 31, 2021

\* All debt securities and borrowings are carried at value as per the settlement agreement entered into with Lenders. Accordingly, fair value is same as carrying value.

#### As at March 31, 2020

\* All debt securities and borrowings are either recalled or accelerated due to cross default and hence are payable on demand. Accordingly, fair value is same as carrying value.

#### 40.B.5 Fair value of financial assets and liabilities measured at FVTPL

Particulars	Level	As at March 31, 2021		As at March 31, 2020	
		Fair Value	Carrying value	Fair Value	Carrying value
<b>Financial assets</b>					
Investments in security receipts		31.95	31.95	31.95	31.95
Fair value adjustment		(31.95)	(31.95)	(31.95)	(31.95)
<b>Carrying value</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loans at FVTPL (Gross)		-	116.71	-	116.71
Fair value adjustment		-	(116.71)	-	(116.71)
<b>Carrying value</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
		-	-	-	-

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: Trade and other receivables, cash and cash equivalents, bank deposits and trade payables. Such amounts have been classified as Level 1 on the basis that no adjustments have been made to the balances in the balance sheet.

The fair values of debt securities and borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**41. Financial Risk Management**

The Company's activities expose it to different risk types including credit risk, liquidity risk and market risk. The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established a Risk Management Committee, which is responsible for ensuring that the risk management policies and procedures designed and implemented by Management are consistent with the Company's strategy and risk appetite. The committee is also responsible to ensure that these policies and procedures are functioning as directed and, necessary steps are taken to foster an enterprise risk management culture within the organization.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

**41.a Credit risk**

Credit risk arises from loans and advances, cash and cash equivalents, deposits and other financial assets carried at amortized cost. This risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

**41.a.1 Credit risk management**

The Company assesses and manages credit risk on loans/ NCDs extended to its borrowers based on internal credit assessment. Internal credit assessment is performed for each class of financial instruments with different characteristics. The Company classifies all its loan/NCD exposures into high, medium and low risk categories. All standard performing assets are categorized as Stage 1. Wherever a significant increase in the credit risk is perceived, such asset is moved to Stage 2. In the event, there is an objective evidence of impairment, the asset is moved to Stage 3 as credit impaired. Staging is done based on quantitative (Days past due or DPD) and qualitative factors (such as project performance, current and expected borrower's liquidity position, need for refinance, significant change in collateral value) and other factors as considered appropriate by the management and credit committee.

Quantitative based staging criteria are as follows:

- Stage 1 – DPD = < 1 month
- Stage 2 – DPD > 1 month = < 3 months
- Stage 3 - DPD > 3 months

In addition to quantitative factors as mentioned above, loans / exposures are also assessed for qualitative factors for staging. Qualitative factors are subjective in nature and require comprehensive assessment of the situation/information available. Therefore, any staging change based on qualitative factors would be done based on management's holistic assessment of the possible impact of the situation/information on the exposure. Certain indicators (nonexhaustive) for qualitative based assessment for staging downgrade are stated below:

- a) material adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations to Altico
- b) significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations to the Company
- c) significant changes in the value of the collateral
- d) significant changes in the loan documentation / arrangement

**i) Provision for expected credit losses for loans & other assets****As at 31 March 2021**

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected loss given default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Loans at amortised cost	-	0.00%	0.00%	-	-
	Other assets	-	0.00%	0.00%	-	-
Loss allowance measured at life-time expected credit losses, not credit impaired	Loans at amortised cost	-	0.00%	0.00%	-	-
	Other assets	-	0.00%	0.00%	-	-
Loss allowance measured at life-time expected credit losses, credit impaired	Loans at amortised cost	-	0.00%	0.00%	-	-
	Other assets	6.86	100.00%	100.00%	6.86	-

**As at 31 March 2020**

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected loss given default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Loans at amortised cost	2,749.79	9.02%	60.00%	148.83	2,600.97
	Other assets	469.82	1.88%	35.00%	3.10	466.73
Loss allowance measured at life-time expected credit losses, not credit impaired	Loans at amortised cost	1,279.97	32.41%	60.00%	248.91	1,031.05
	Other assets	-	0.00%	0.00%	-	-
Loss allowance measured at life-time expected credit losses, credit impaired	Loans at amortised cost	2,592.23	100.00%	64.85%	1,681.09	911.14
	Other assets	-	0.00%	0.00%	-	-

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**41.a Credit risk (continued)****ii) The following table sets out information about the credit quality of Investments measured at fair value through P&L:**

	As at March 31, 2021	As at March 31, 2020
Investment in security receipts (net off fair value loss)	-	-

**iii) Collateral held****a) As at March 31, 2021**

Nil, the Company do not have loan assets as at March 31, 2021 and accordingly does not have collaterals as at year end.

**b) As at March 31, 2020**

As of March 31, 2020, 99.4% of the aggregate principal amount of the Company's gross loans was secured by underlying projects security/ collateral (previous year: 100%). The security taken by the Company usually included mortgage of the land/units/development rights and charge on receivables and cash flows of the borrower. The sale of the units in the underlying project(s) results in cash flows which are available for debt servicing and project purposes. Additionally, the Company seeks to obtain (a) pledge of shares of special purpose vehicles (b) personal and corporate guarantees (c) demand promissory notes etc.

In accordance with Company's policy on security valuation, the Company carries out valuation of the underlying security for loan granted on an annual basis for brownfield projects and on an biennial basis for the nearing brownfield/ greenfield projects. While the policy allows either of the internal or external estimation of the valuation, the Company has historically used empaneled independent valuers to carry out the valuation. However, due to the prevailing pandemic COVID-19 and nationwide lockdown, no external valuation exercise was possible to be conducted for estimating the valuation as at March 31, 2020. The Management has therefore in line with the policy carried out its own internal assessment on a best effort basis and has concluded that the security valuations so arrived at, adequately cover the net carrying value of respective loans as at March 31, 2020.

At 31 March 2020, the net carrying amount of Stage 3 loans and advances amounted to Rs. 912.15 crores and the estimated aggregate value of security and collateral held against those loans and advances amounted to Rs. 1,839.94 crores.

**iv) Investment securities designated as at FVTPL**

At 31 March 2021, the maximum exposure to credit risk of the investment securities designated as at FVTPL is their carrying amount of Rs. Nil (31st March 2020: Nil).

**41.a.2 Measurement of Expected Credit Losses**

Expected Credit Loss is arrived at by using a probability weighted approach of default and estimation of loss when default occurs, discounted to reflect the time value of money. For the purpose of computing ECL, the Company assesses the probability of the default occurring (PD) and the Loss Given Default (LGD) for its debt instruments.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

**(a) Stage 1:** 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

**(b) Stage 2:** Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

**(c) Stage 3:** Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the net carrying amount.

The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows:

Particulars	Exposure as on		PD	External benchmarks used	LGD
	March 31, 2021	March 31, 2020			
Loans and advances	-	6,621.99	Based on default study report as published by a leading rating agency and management estimate of macro economic variables	For stage 1 and stage 2 assets - LGD for Stage 1 and 2 loans is arrived at 60% as recommend by RBI under Inspection report for the financial year ended March 31, 2019. For stage 3 assets - For Stage 3 exposures, as suggested by RBI, 65% or 100% on case to case basis as recommend by RBI under Inspection report for the financial year ended March 31, 2019.	

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account obligor profile, collateral type, project attributes etc.

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**41.a Credit risk (Continued)**

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. Due to lack of historical experience of default, currently the Company has considered externally available information for estimating probability of default and loss given default. The exposure at default has been taken as the outstanding amount on the date of ECL estimation.

In addition to above mentioned ECL factors, management assesses prevailing and forward looking macro-economic conditions. Based on the assessment, management may provide additional ECL provision to cover for such conditions. Once these conditions are subside or impact of the same is neutralized, then such provisions may be normalized.

**iii) Reconciliation of loss allowance provision**

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		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
<b>Loss allowance on 1 April 2019</b>	11.70	80.14	50.14
Changes in loss allowances due to			
New assets originated or purchased	23.76	73.20	19.50
Assets derecognised or repaid	(0.94)	-	(3.94)
Other movements including partial repayments and interest accruals	1.48	127.67	12.88
Increase / (release)	377.56	1,791.81	85.80
Transfers to Stage 1	-	-	-
Transfers to Stage 2	(150.96)	150.96	-
Transfers to Stage 3	(113.78)	(1,974.86)	2,088.64
Amounts written off	-	-	(571.93)
<b>Loss allowance on 31 March 2020</b>	<b>148.82</b>	<b>248.92</b>	<b>1,681.09</b>
Changes in loss allowances due to			
New assets originated or purchased	-	-	-
Assets derecognised or repaid	-	-	-
Assets derecognised on sale of portfolio	(148.82)	(248.92)	(1,681.09)
Other movements including partial repayments and interest accruals	-	-	-
Increase / (release)	-	-	-
Transfers to Stage 1	-	-	-
Transfers to Stage 2	-	-	-
Transfers to Stage 3	-	-	-
Amounts written off	-	-	-
<b>Loss allowance on 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ECL Sensitivity analysis:**

Particulars	As at March 31, 2021	As at March 31, 2020
Sensitivity to change in PD rates		
- increase by 10%	NA	39.77
- decrease by 10%	NA	(39.77)
Sensitivity to change in LGD rates		
- increase of 10%	NA	207.88
- decrease of 10%	NA	(207.88)

**41.a.3 Write-offs still under enforcement**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. There are no financial assets written-off during the year ended March 31, 2021. (Previous year Rs. 571.93 crores) which are still under enforcement.

**41.a.4 Modification/ Debt restructuring**

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Company de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**41.a Credit risk (Continued)**
**41.a.5 Loans and investment debt securities that are past due but not impaired**

As per the internal policy of the Company, loans which are past due for more than 90 days/3 months are considered as credit impaired. Thus, the Company does not have any assets which are past due but not impaired.

There has been no instances of modification of loans and advances during the year.

**41.a.6 Concentration of credit risk**

The Company operates in a single sector i.e., wholesale lending to Real Estate developers in India. An analysis of concentration of credit risk from loans and investments securities is shown below.

	Investment in securities		Loans	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Carrying amount	-	-	-	4,543.16
<b>Concentration by sector</b>				
<b>Corporate:</b>				
Commercial Real estate	-	-	-	6,738.99
	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,738.99</b>
<b>Concentration by location</b>				
<b>India:</b>				
Bangalore	-	-	-	947.75
Chennai	-	-	-	390.70
Gurgaon	-	-	-	701.60
Hyderabad	-	-	-	565.89
Mumbai	-	-	-	2,635.09
Noida	-	-	-	704.17
Pune	-	-	-	793.79
	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,738.99</b>

**41.a.7 Offsetting financial assets and financial liabilities**

The disclosures set out in the following tables include financial assets and financial liabilities that:

- are offset in the Company's statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements.

**As at March 31, 2021**

There are no financial assets subject to offsetting as at March 31, 2021.

**As at March 31, 2020**

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the Balance sheet	Net amounts of financial assets presented in Balance Sheet
<b>Types of financial assets</b>			
Loans and advances to customers (measured at amortised cost)	344.47	0.22	344.26
Loans and advances to customers (measured at FVTPL)	-	-	-
<b>Total</b>	<b>344.47</b>	<b>0.22</b>	<b>344.26</b>
<b>Types of financial liabilities</b>			
Customer advances	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following tables reconcile the 'Net amounts of financial assets and financial liabilities presented in the Balance Sheet, as set out above, to the line items presented in the Balance Sheet.

Reconciliation to the net amounts of financial assets and financial liabilities presented in the Balance Sheet.

**As at March 31, 2020**

Types of financial assets	Net amounts	Line item in statement of financial position	Carrying amount in statement of financial position
Loans to customers - amortised cost	344.26	Loans to customers	344.47
Loans to customers - FVTPL	-	Advances from customers	(0.22)

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**41. Financial Risk Management (Continued)****41.b Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity based on a framework comprising of four pillars:

- Quantity: to maintain enough cash balance to meet its obligations;
- Quality: to ensure diversity in lenders, instruments and, also, ensure optimal maturity profile on contractual as well as residual basis;
- Efficiency: to aim for and achieve superior credit ratings and ensure rigor in negotiation with counter parties to optimize cost of borrowing as well as to improve the covenants;
- Contingency: to plan for and monitor stress conditions.

**i) Financing arrangements**

The Company does not have access to the undrawn borrowing facilities at the end of the reporting period. (Previous year - Nil)

**ii) Exposure to liquidity risk**

ALCO has determined a list of financial covenants and ratios to be monitored regularly by the Treasury team. The key measure used by the Company for managing liquidity risk is on debt-equity and security coverage ratio. These ratios assist the ALCO to determine if Altico is compliant with the RBI prescribed guidelines and are indicators of sound liquidity profile of the Company. Liquid assets includes cash and cash equivalents and liquid mutual funds.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

**As at March 31, 2021**

Particulars	Carrying amount	Gross nominal inflow/ outflow	Contractual cash flows					
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non-derivative financial liabilities</b>								
Trade payables	17.02	17.02	17.02	-	-	-	-	-
Debt securities	111.72	111.72	15.88	95.84	-	-	-	-
Borrowings (Other than debt securities)	183.44	183.44	26.09	157.35	-	-	-	-
Other financial liabilities	0.05	0.05	-	-	-	-	-	-
<b>Non-derivative financial assets</b>								
Cash and cash equivalents	343.24	343.24	90.06	253.18	-	-	-	-
Trade & other receivables	0.02	0.02	0.02	-	-	-	-	-
Loans and advances to Companies	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Other financial assets	2.18	2.18	-	2.18	-	-	-	-

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**41. Financial Risk Management (Continued)**

As at March 31, 2020

Particulars	Carrying amount	Gross nominal inflow/outflow	Contractual cash flows					
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non-derivative financial liabilities</b>								
Trade payables	20.62	20.62	20.62	-	-	-	-	-
Working capital finances	126.55	126.55	126.55	-	-	-	-	-
Term loans	2,664.75	2,664.75	2,664.75	-	-	-	-	-
Debt securities issued	1,552.22	1,552.22	1,552.22	-	-	-	-	-
Other financial liabilities	0.43	0.43	0.43	-	-	-	-	-
<b>Non-derivative financial assets</b>								
Cash and cash equivalents	432.06	432.06	432.06	-	-	-	-	-
Balance with bank other than cash & cash equivalents	27.74	27.74	-	27.74	-	-	-	-
Trade & other receivables	6.93	10.02	3.16	-	6.86	-	-	-
Loans and advances to Companies	4,543.16	9,347.31	971.59	2,303.03	2,796.02	3,276.67	-	-
Investments	0.01	31.96	-	-	-	31.95	0.01	-
Other financial assets	3.00	3.00	-	3.00	-	-	-	-

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments and receipts

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents, deposits with banks and investments in liquid mutual funds, which can be readily realized to meet liquidity requirements. In addition, the Company maintains agreed lines of credit with Banks.

The following table sets out the carrying amounts of financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>		
Loans and advances to Companies	-	3,584.74
<b>Financial liabilities</b>		
Borrowings	-	*
Debt securities	-	*

\* All debt securities and borrowings were either cross defaulted or recalled and hence were payable on demand as at 31st March 2020.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 41. Financial Risk Management (Continued)

##### 41.c Interest rate risk

Interest rate risk arises from sensitivity of its borrowings cost and assets yield to change in interest rate benchmarks at which contracts are linked. The Company monitors the impact of movement in benchmark rates on its balance sheet profile. Further, the Company reviews and where required set suitable limits for interest rate mismatches to maintain the interest rate risk within the required thresholds.

##### 41.c.1 Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments are as follows.

The exposure of the Company's borrowing to fair value changes at the end of the reporting period are as follows:

	Gross carrying value as at	
	March 31, 2021	March 31, 2020
<b>Floating rate instruments</b>		
Financial liabilities	*	2,140.90

\* - Borrowing amounts outstanding as at March 31, 2021 will be paid as per the terms of the settlement agreement and hence same is not subject to interest rate risk

##### 41.c.2 Fair value sensitivity analysis for fixed-rate instruments

###### As at March 31, 2021

Borrowing amounts outstanding as at March 31, 2021 will be paid as per the terms of the settlement agreement and hence same is not subject to interest rate risk

###### As at March 31, 2020

The Company had not accounted for any fixed-rate financial assets (except one financial asset, which is fair valued at zero or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

##### 41.c.3 Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	As at March 31, 2021		As at March 31, 2020	
	Profit or loss* (Pre tax impact)	Equity (pre tax impact)	Profit or loss* (Pre tax impact)	Equity (pre tax impact)
<b>Variable-rate instruments<sup>1</sup></b>				
50 bp increase	#	#	(10.70)	(10.70)
50 bp decrease	#	#	10.70	10.70

\* Holding all other variables constant

<sup>1</sup> Variable rate instrument includes all borrowings where rates are linked to external benchmark such as MCLR, market linked etc.

# - Since borrowing outstanding as at March 31, 2021 will be paid as per the terms of the settlement agreement and same is not subject to interest rate risk and accordingly not subject to sensitivity as well.

##### 41.c.4 Maturity analysis

The below table presents the maturity profile of key financial assets and liabilities of the Company by their residual contractual maturity as of the dates presented:

	As at March 31, 2021		As at March 31, 2020	
	Upto 1 year	> 1 year	Upto 1 year	> 1 year
Cash and cash equivalents	343.24	-	432.06	-
Other bank balances	-	-	27.74	-
Trade & other receivables	0.02	-	3.16	3.77
Loans	-	-	850.92	3,692.24
Investments	-	-	-	0.01
Other financial assets	2.18	-	3.00	-
Current tax assets (Net)	69.90	-	170.62	-
Deferred tax assets (Net)	-	-	-	-
Property, plant and equipment	-	3.97	-	5.50
Intangible assets	-	0.02	-	0.49
Right-of-use assets	-	-	-	6.51
Other non-financial assets	-	5.69	-	5.10
Trade payables	17.02	-	20.62	-
Debt securities	111.72	-	1,552.22	-
Borrowings (Other than debt securities)	183.44	-	2,791.30	-
Other financial liabilities	0.05	-	0.43	-
Provisions	16.01	1.62	16.21	1.53
Other non-financial liabilities	0.83	-	6.29	2.57
Financial guarantees	-	-	-	-
Undrawn commitments	-	-	-	-

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 42. Capital Management

The Company's objectives when managing capital are to maintain an optimal capital structure to reduce the cost of capital and continue to provide returns for stakeholders.

The Company monitors capital on the basis of debt equity ratio which is measured as net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

##### Net debt to equity ratio:

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Debt	295.16	4,343.52
Less: Cash and cash equivalents	(343.24)	(432.06)
<b>Net debt</b>	<b>(48.08)</b>	<b>3,911.46</b>
Total Equity	94.33	809.95
<b>Net debt to equity ratio</b>	<b>(0.51)</b>	<b>4.83</b>

#### Regulatory Capital

Refer note 46.1 for Capital to risk assets ratio.

#### 43. Impact of COVID - 19

In addition to the widespread public health implications, the COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in India and around the world. During the previous year, people and economies around the world, witnessed serious turbulence caused by the first wave of the pandemic, the consequent lockdowns, the gradual easing of restrictions and the emergence of new variants of the virus. Although government has started vaccination drive, COVID-19 cases have significantly increased in recent months due to second wave as compared to earlier levels in India. Various state governments have again announced strict measures include lockdowns to contain this spread. As COVID vaccines get administered to more and more people, businesses in sectors impacted by pandemic may pick up. However, the continuing and evolving nature of the virus has created uncertainty regarding estimated time required for businesses and lives to get back to normal.

The Company continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients. The pandemic has impacted lending business, fee income, collection efficiency etc. in increase in customer defaults and consequently increase in provisions. The Company, however, has not experienced any significant disruptions in the past one year and has considered the impact on carrying value of assets based on the external or internal information available up to the date of approval of financial statements. The future direct and indirect impact of COVID-19 on Company business, results of operations, financial position and cash flows remains uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### 44. Company's update, Going Concern issue and post balance sheet events:

Altico defaulted on its payment obligation on September 12, 2019. Since September 12, 2019 there have been several discussions with the financial creditors of Altico (collectively, the "Lenders"). The Lenders formed a steering committee amongst themselves and conducted a bid process by inviting interested parties and thereafter approved and voted a resolution plan ("Resolution Plan") submitted by one of the bidders i.e. Ares SSG Capital Management (Singapore) Pte. Limited ("Ares SSG").

Towards implementation of the approved Resolution Plan, Altico and its shareholders have entered into a settlement agreement with all the Lenders on March 02, 2021 ("the Settlement Agreement"). As a part of implementation of the Resolution Plan, Altico has entered into definitive documents (assignment agreements) on March 04, 2021 with Assets Care & Reconstruction Enterprise Limited and Catalyst Trusteeship Limited, purchasers identified by Ares SSG (in each case acting as a trustee of the trusts settled for this purpose) and completed the sale of all loan assets effective on March 10, 2021 ("Asset Sale"). These Ares SSG entities were desirous of appointing Altico for rendering services in relation to the sold loan assets, consequently Altico has entered into a servicing agreement with Ares SSG entities detailing the terms and conditions and the commercial understanding therein.

According to the terms of the Settlement Agreement, the proceeds received from such Asset Sale, cash balances available with Altico and collections from identified assets collectively called the ("Settlement Consideration") have being utilised for: (I) discharge of the liabilities of Altico owed to Lenders in two tranches; and (II) provision for or discharge of Altico's known liabilities, known contingent liabilities and unknown liabilities.

The first tranche of the Settlement Consideration has been distributed to the Lenders on March 12, 2021 ("First Tranche"). The second tranche of the Settlement Consideration will be distributed in accordance with the terms of the Settlement Agreement.

Consequent to the consummation of such loan asset-sale, Altico does not meet the "Principal business Criteria" requirement for holding a non-banking finance Company license, as stipulated by the Reserve Bank of India. Altico has accordingly applied to the RBI for surrendering its 'certificate of registration' vide letter and mail dated March 19, 2021. Altico awaits RBI's response on the application.

Subject to, and upon cancellation of certificate of registration of Altico as an NBFC by the Reserve Bank of India, Nolana Capital Management (Singapore) Pte. Limited ("Nolana") or its nominees will purchase the entire shareholding in Altico from India Credit Pte Ltd ("ICPL") (and ICPL's nominee shareholders), for a nominal consideration, in accordance with the terms of the share purchase agreement executed between Nolana, ICPL and Altico ("Share Purchase Agreement"). Accordingly the financial statements have been prepared on a going concern basis.

#### 45. Subsequent Event

The management has assessed the subsequent events to the year ended and is of the view there are no material events except as disclosed above in the note No. 44 of the financial statements.

## Altico Capital India Limited

### Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

#### 46. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

#### 46.1 Capital to risk assets ratio (CRAR)

	As at March 31, 2021	As at March 31, 2020
CRAR (%)	905.77%	18.37%
CRAR - Tier I capital (%)	905.77%	17.12%
CRAR - Tier II Capital (%)	0.00%	1.25%
Amount of Subordinated debt raised as tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

#### 46.2 Investments

	As at March 31, 2021	As at March 31, 2020
<b>I) Value of Investment</b>		
<b>(i) Gross value of investments</b>		
(a) In India	31.95	31.96
(b) Outside India	-	-
<b>(ii) Provisions for depreciation / Impairment allowance</b>		
(a) In India	31.95	31.95
(b) Outside India	-	-
<b>(iii) Net value of investments</b>		
(a) In India	-	0.01
(b) Outside India	-	-
<b>II) Movement of provisions held towards depreciation on investments.</b>		
	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Opening balance</b>	31.95	-
Add : Provisions made during the year	-	31.95
Less : Write-off / write-back of excess provisions during the year	-	-
<b>Closing balance</b>	<b>31.95</b>	<b>31.95</b>

#### 46.3 Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives.

#### 46.4 Asset liability management

##### (A) Maturity pattern of certain items of assets and liabilities As at March 31, 2021

A.i	Assets		
	Loans	Investments	Foreign Currency Assets
1 day to 7 days	-	-	-
8 day to 14 days	-	-	-
15 day to 30/31 days (One month)	-	-	-
Over One months to 2 months	-	-	-
Over 2 months up to 3 months	-	-	-
Over 3 months to 6 months	-	-	-
Over 6 months to 1 year	-	-	-
Over 1 year to 3 years	-	-	-
Over 3 years to 5 years	-	-	-
Over 5 years	-	-	-
	-	-	-

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI**

A.ii	Liabilities		
	Borrowings and Debt Securities	Deposits	Foreign Currency Liabilities
1 day to 7 days	-	-	-
8 day to 14 days	-	-	-
15 day to 30/31 days (One month)	-	-	-
Over One months to 2 months	41.98	-	-
Over 2 months up to 3 months	-	-	-
Over 3 months to 6 months	-	-	-
Over 6 months to 1 year	253.18	-	-
Over 1 year to 3 years	-	-	-
Over 3 years to 5 years	-	-	-
Over 5 years	-	-	-
	<b>295.16</b>	-	-

**(B) Maturity pattern of certain items of assets and liabilities As at March 31, 2020**

B.i	Assets		
	Loans	Investments	Foreign Currency Assets
1 day to 7 days	-	-	-
8 day to 14 days	-	-	-
15 day to 30/31 days (One month)	-	-	-
Over One months to 2 months	-	-	-
Over 2 months up to 3 months	86.15	-	-
Over 3 months to 6 months	120.53	-	-
Over 6 months to 1 year	306.27	-	-
Over 1 year to 3 years	2,177.74	-	-
Over 3 years to 5 years	1,291.56	-	-
Over 5 years	115.45	0.01	-
	<b>4,097.70</b>	<b>0.01</b>	-

B.ii	Liabilities		
	Borrowings and Debt Securities	Deposits	Foreign Currency Liabilities
1 day to 7 days	4,240.53	-	-
8 day to 14 days	-	-	-
15 day to 30/31 days (One month)	-	-	-
Over One months to 2 months	-	-	-
Over 2 months up to 3 months	-	-	-
Over 3 months to 6 months	-	-	-
Over 6 months to 1 year	-	-	-
Over 1 year to 3 years	-	-	-
Over 3 years to 5 years	-	-	-
Over 5 years	-	-	-
	<b>4,240.53</b>	-	-

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI****46.5 Exposures****Exposure to real estate sector**

	As at March 31, 2021	As at March 31, 2020
<b>a) Direct exposure</b>		
<b>Residential mortgages -</b>		
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 lakhs may be shown separately)	-	-
<b>Commercial real estate -</b>		
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 includes non-fund based (NFB) limits.	-	6,695.76
<b>Investments in mortgage backed securities (MBS) and other securitised exposures -</b>		
- Residential	-	-
- Commercial Real Estate	-	31.95
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>c) Others</b>	-	-
	<b>-</b>	<b>6,727.71</b>

**Exposure to capital market**

	As at March 31, 2021	As at March 31, 2020
a) 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	-	-
b) 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	-	-
c) 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.	-	-
d) 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.	-	-
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
g) bridge loans to companies against expected equity flows / issues	-	-
h) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
i) others (not covered above)	-	-
	<b>-</b>	<b>-</b>

**46.6 Details of financing of parent Company products:**

Details of financing of parent Company products: Nil (Previous year : Nil)

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI****46.7 Details of single borrower limit and borrower group limit exceeded by the Company:**

During the year ended March 31, 2021 and March 31, 2020 the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI."

**46.8 Unsecured advances & Advances against intangibles**

The portfolio of Company included unsecured loans in previous year. For Details of such unsecured loans refer Note 6.

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year : Nil).

**46.9 Registration obtained from other financial sector regulators**

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- i) Ministry of Corporate Affairs
- ii) Securities and Exchange Board of India (SEBI)

**46.10** Disclosure of penalties imposed by RBI and other regulators- Rs. Nil (Previous year - Rs. Nil)

**46.11 Related party transactions**

All material transactions with related parties are reflected in Note - 37

**46.12** Details of transaction with non executive directors - Rs. Nil (Previous year - Refer Note - 37)

**46.13 Provisions and contingencies**

	As at March 31, 2021	As at March 31, 2020
<b>Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss</b>		
Provisions for depreciation on Investment	31.95	31.95
Provision towards NPA	-	1,747.95
Provision made towards Income tax	-	3.03
Other Provision and Contingencies (with details)	12.79	6.67
Provision for Standard Assets	-	229.48
Provision for Standard Restructured Assets	-	76.13
<b>Total</b>	<b>44.74</b>	<b>2,095.21</b>

**46.14 Draw down from reserves**

During the current year the Company has not drawn from any reserve. (Previous year : Nil)

**46.15 Concentration of deposits, advances, exposures and NPA assets**

	As at March 31, 2021	As at March 31, 2020
<b>A. <u>Concentration of advances</u></b>		
Total Advances to twenty largest borrowers	-	4,632.10
% of Advances to twenty largest borrowers to Total Advances	-	68.74%
<b>B. <u>Concentration of exposures</u></b>		
Total Exposures to twenty largest borrowers / Customers	-	4,632.10
% of Exposures to twenty largest borrowers / Customers to Total Advances	-	68.74%
<b>C. <u>Concentration of NPA Advances</u></b>		
Total Exposures to top Four NPA Assets	-	1,078.01

**Altico Capital India Limited**

**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI**

**D. Sector-wise NPA Assets**

Sectors	% of NPA assets to Total Advances in that sector	
	As at March 31, 2021	As at March 31, 2020
Agriculture and allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	0.00%	40.18%
Services	0.00%	0.00%
Unsecured loans - Bill discounting	0.00%	0.00%
Auto loans	0.00%	0.00%
Other loans	0.00%	0.00%

**E. Concentration of deposits**

The Company is a Non Deposit Accepting Systemically Important NBFC. Accordingly, the Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (Previous Year : Nil).

**46.16 Movement in non-performing assets (NPAs)**

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets net of provision (Also refer note 6.b)

	As at March 31, 2021	As at March 31, 2020
<b>(i) Net NPAs to net advances (%)</b>	0.00%	18.44%
<b>(ii) Movement of NPAs (gross)</b>		
(a) Opening balance	2,710.24	143.26
(b) Additions during the year	-	2,578.24
(c) Reductions during the year	(2,710.24)	(11.26)
(d) Closing balance	-	<b>2,710.24</b>
<b>(iii) Movement of net NPAs</b>		
(a) Opening balance	912.15	93.12
(b) Additions during the year	-	826.35
(c) Reductions during the year	(912.15)	(7.32)
(d) Closing balance	-	<b>912.15</b>
<b>(iv) Movement of provisions for NPAs (excluding provision on standard assets)</b>		
(a) Opening Balance	1,798.09	50.14
(b) Additions during the year	-	1,751.89
(c) Reductions during the year	(1,798.09)	(3.94)
(d) Closing balance	-	<b>1,798.09</b>

**46.17 Customer complaints**

	For the year ended March 31, 2021	For the year ended March 31, 2020
i) No. of complaints pending at the beginning of the year	1	0
ii) No. of complaints received during the year	0	1
iii) No. of complaints redressed during the year	1	0
iv) No. of complaints pending at the end of the year	0	1

**46.18 Rating assigned by credit rating agencies**

No.	Credit rating agency	Instrument	As at March 31, 2021	As at March 31, 2020
1	India Ratings & Research Private Limited / ICRA Limited*	Commercial Paper	A4	A4
2	India Ratings & Research Private Limited / CARE Ratings Limited**	Bank Term Loan	D	D
3	India Ratings & Research Private Limited / CARE Ratings Limited**	NCD	D	D

\*During the course of FY20, Altico's Commercial Papers were redeemed, hence Altico's short term rating from ICRA Limited was duly withdrawn. Thereby, no ratings from ICRA Limited was outstanding as of March 31, 2020.

\*\*CARE Ratings Limited rated Altico in FY19, however, the said rating was withdrawn during the course of FY20 as the said long term rating wasn't utilised by Altico. Thereby, no ratings from CARE Ratings Limited was outstanding as of March 31, 2020.

**Altico Capital India Limited****Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI (Continued)****46.19 Disclosures relating to assignment and Securitisation****46.19.1** The Company has not entered into any Securitisation transactions during the current year. (Previous year : Nil )**46.19.2 Outstanding amount of assigned assets as per books of the Special Purpose Vehicle sponsored**

The Company has not entered into any assignment transactions during the current year. (Previous year : Nil).

**46.19.3 Details of financial assets sold to Securitisation/reconstruction Company for asset reconstruction**

The Company has not sold any financial assets to Securitisation/reconstruction Company for asset reconstruction during the year ended March 31, 2021 and March 31, 2020.

**46.20 Details of non-performing financial assets purchased / sold by the Company**

For Year ended March 31, 2021

The Company has sold NPA assets by virtue of assignment agreement as part of the settlement agreement referred in Note - 44.

For Year ended March 31, 2020

The Company has neither purchased nor sold non performing assets during the year ended March 31, 2020.

**46.21 Details of loans sold by way of assignment transaction pursuant to settlement agreement**

	As at March 31, 2021	As at March 31, 2020
i) No. of accounts (Borrowers)	36	-
ii) Aggregate value (net of provisions) of accounts sold	4,808.89	-
iii) Aggregate consideration	2,034.01	-
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	(2,774.88)	-

**46.22 Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"**

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

**Altico Capital India Limited**  
Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI (Continued)**

**46.23 Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS**

Disclosure pursuant to RBI notification DOR (NBFC).CC.PD.No.109/22/10/106/2019-20 dated 13th March 2020 pertaining to Asset classification as per RBI norms

**46.23.a As at March 31, 2021**

Asset Classification		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
as per RBI Norms	as per Ind AS 109					
<b>Performing</b>						
Standard	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	-	-	-	-	-
Doubtful	up to 1 year	-	-	-	-	-
	1 to 3 Years	-	-	-	-	-
	More than 3 years	-	-	-	-	-
	Sub total for Doubtful	-	-	-	-	-
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
<b>Total</b>	<b>Stage-1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage-2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage-3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**46.23.b As at March 31, 2020**

Asset Classification		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
as per RBI Norms	as per Ind AS 109					
<b>Performing</b>						
Standard	Stage-1	2,749.79	148.83	2,600.96	10.23	138.60
	Stage-2	1,279.97	248.91	1,031.06	16.72	232.19
<b>Sub total</b>		<b>4,029.76</b>	<b>397.74</b>	<b>3,632.02</b>	<b>26.95</b>	<b>370.80</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	2,281.51	1,370.37	911.14	213.50	1,156.87
Doubtful	up to 1 year	-	-	-	-	-
	1 to 3 Years	-	-	-	-	-
	More than 3 years	-	-	-	-	-
	Sub total for Doubtful	-	-	-	-	-
Loss	Stage-3	427.72	427.72	-	425.94	1.78
<b>Subtotal for NPA</b>		<b>2,709.23</b>	<b>1,798.09</b>	<b>911.14</b>	<b>639.44</b>	<b>1,158.65</b>
Other items	Stage-1	-	-	-	-	-
Other items	Stage-2	-	-	-	-	-
Other items	Stage-3	-	-	-	-	-
<b>Total</b>	<b>Stage-1</b>	<b>2,749.79</b>	<b>148.83</b>	<b>2,600.96</b>	<b>10.23</b>	<b>138.60</b>
	<b>Stage-2</b>	<b>1,279.97</b>	<b>248.91</b>	<b>1,031.06</b>	<b>16.72</b>	<b>232.19</b>
	<b>Stage-3</b>	<b>2,709.23</b>	<b>1,798.09</b>	<b>911.14</b>	<b>639.44</b>	<b>1,158.65</b>
	<b>Total</b>	<b>6,738.99</b>	<b>2,195.83</b>	<b>4,543.16</b>	<b>666.39</b>	<b>1,529.44</b>

**Altico Capital India Limited**  
Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

**46.24 Disclosure of Restructured Accounts**

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

**46.24.1 As at March 31, 2021**

The Company does not have any restructured accounts as at March 31 2021, so this disclosure is not applicable for FY 2020-21.

**46.24.2 As at March 31, 2020**

Type of Restructuring → Under CDR Mechanism Not applicable, as there are no such cases

Type of Restructuring → Under SME Debt Restructuring Not applicable, as there are no such cases

Type of Restructuring → Others Refer below table

No.	Type of Restructuring → Asset Classification →	Standard	Sub Standard	Others		Total
				Doubtful	Loss	
<b>Details ↓</b>						
1	Restructured Accounts as on April 1 of the Financial Year (opening figures)	No. of borrowers Amount outstanding Provision thereon	4 325.94 7.30	- - -	- - -	- 325.94 7.30
2	Fresh restructuring during the year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
3	Recovery	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
4	Upgradations to restructured standard category during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the Financial Year and hence need not be shown as restructured standard advances at the beginning of the next Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
6	Down gradations of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- 43.83 43.83	1 43.83 43.83
7	Write-offs of restructured accounts during the Financial Year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -
8	Restructured Accounts as on March 31 of the Financial Year (closing figures)	No. of borrowers Amount outstanding Provision thereon	3 334.38 82.84	- - -	- 43.83 43.83	4 378.21 126.67

**One time restructuring**

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular (RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21) dated August 6, 2020 are given below.

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

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

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at April 1, 2020 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2021
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

**Altico Capital India Limited**
**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI (Continued)**
**46.25 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards**
**46.25.a Funding Concentration based on significant counterparty (borrowings, debt securities)**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amt.	% of Total liabilities	Amt.	% of Total liabilities
Banks (11)	104.45	35.39%	1,443.63	33.24%
NBFCs (7)	44.59	15.11%	602.14	13.86%
NCDs (20 issuances)	111.72	37.85%	1,534.77	35.33%
ECB (1)	34.40	11.65%	660.00	15.20%
	<b>295.16</b>		<b>4,240.53</b>	

**46.25.b Top 20 large deposits**

Not applicable

**46.25.c Top 10 Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
Total amount of top 10 borrowings (₹ in crore)	218.38	3,426.51
Percentage of amount of top 10 borrowings to total borrowings	73.99%	78.89%

**46.25.d Funding concentration based on significant instrument / product\*\*:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in lakh	% of Total liabilities #	₹ in lakh	% of Total liabilities #
a) Term Loans	139.42	42.16%	1,923.93	43.81%
b) NCDs	111.72	33.78%	1,534.77	34.95%
c) ECB	34.40	10.40%	660.00	15.03%
d) Working Capital / Overdraft	9.62	2.91%	121.83	2.77%

# Total Liabilities represents total liabilities as per balance sheet less total equity

**46.25.e Stock Ratios:**

Particulars	As at March 31, 2021	As at March 31, 2020
i) Commercial Papers to Total Liabilities	Nil	Nil
ii) Commercial Papers to Total Assets	Nil	Nil
iii) Commercial Papers to Public funds	Nil	Nil
iv) NCD(Original Maturity < 1yrs.) to Total Liabilities	Nil	Nil
v) NCD(Original Maturity < 1yrs.) to Total Assets	Nil	Nil
vi) NCD(Original Maturity < 1yrs.) to Public funds	Nil	Nil
vii) Other Short Term Liabilities to Total Liabilities ##	99.51%	99.91%
viii) Other Short Term Liabilities to Total Assets ##	77.42%	84.35%
ix) Other Short Term Liabilities to Public funds ##	Nil	Nil

i. Other Short Term Liabilities - Total Debt securities and borrowings (other than debt securities) due within a year.

ii. Total Liabilities as been computed as sum of all liabilities (Balance Sheet Figure) less Equities and Other Equity.

iii. Total Assets has been computed as sum of all assets (Balance Sheet Figure).

iv. Outstanding amount have been considered in case of Debt securities and borrowings (other than debt securities).

**46.25.f : Institutional set-up for liquidity risk management:**

The Company's Board of Directors takes the overall responsibility for management of liquidity risk.

Risk Management Committee ('RMC') shall have overall responsibility of evaluating liquidity risks faced by the entity and will act as per mandate of the Board in managing the liquidity risk and adherence to this framework through itself and the various sub-committees reporting into it.

Asset Liability Committee ('ALCO') reports into the RMC which in turn is supported by Asset Liability Management Support Group in managing the overall liquidity risk of the Company.

There were no committees as at March 31, 2021 and March 31, 2020, all the functions were reviewed by the steering committee and Directors.

**Altico Capital India Limited**  
Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

46.26 As required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
<b>Liabilities side :</b>						
<b>1) Loans and advances availed by the non- banking financial Company inclusive of interest accrued thereon but not paid:</b>						
(a) Debentures : Secured	110.85	-	110.85	-	1,542.62	1,542.62
: Unsecured	0.87	-	0.87	-	9.60	9.60
(other than falling within the meaning of public deposits)						
(b) Deferred credits	-	-	-	-	-	-
(c) Term loans	173.82	-	173.82	-	2,664.75	2,664.75
(d) Inter-corporate loans and borrowing	-	-	-	-	-	-
(e) Commercial paper	-	-	-	-	-	-
(f) Public deposits	-	-	-	-	-	-
(h) Other loans (Borrowings)	9.62	-	9.62	-	126.55	126.55
<b>2) Break-up of (1) (f) above [Outstanding public deposits inclusive of interest accrued thereon but not paid]</b>						
(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	-	-	-	-	-	-
(b) Other public deposits	-	-	-	-	-	-
<b>Assets side :</b>						
<b>3) Break-up of loans and advances including bills receivables [other than those included in (4) below]</b>						
(a) Secured	-	-	-	6,583.49	-	6,583.49
(b) Unsecured	-	-	-	38.50	-	38.50
<b>4) Break up of Leased assets and stock on hire and other assets counting towards AFC activities</b>						
(i) Lease assets including lease rentals under sundry debtors:						
(a) Financial lease	-	-	-	-	-	-
(b) Operating lease	-	-	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors:						
(a) Assets on hire	-	-	-	-	-	-
(b) Repossessed assets	-	-	-	-	-	-
(iii) Other loans counting towards AFC activities						
(a) Loans where assets have been repossessed	-	-	-	-	-	-
(b) Loans other than (a) above	-	-	-	-	-	-
<b>5) Break-up of investments :</b>						
<b>Current investments :</b>						
1. Quoted						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
2. Unquoted						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-

**Altico Capital India Limited**  
Notes to the financial statements for the year ended March 31, 2021

(Currency : Indian Rupees in crores)

46.26 As required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

46.25 As required in terms of paragraph 19 of Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 (Continued)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
<b>Long term investments :</b>						
1. Quoted						
(i) Shares : (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
2. Unquoted						
(i) Shares : (a) Equity	-	-	-	0.01	-	0.01
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (Security Receipts)	31.95	-	31.95	31.95	-	31.95

6) Borrower group-wise classification of assets financed as in (3) and (4) above:	Amount net of provision			Amount net of provision		
	As at March 31, 2021			As at March 31, 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	4,504.66	38.50	4,543.16
<b>Total</b>	-	-	-	<b>4,504.66</b>	<b>38.50</b>	<b>4,543.16</b>

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	As at March 31, 2021			As at March 31, 2020		
	Market Value / Break up or fair value or NAV	Book Value (Net of provisions)	Total	Market Value / Break up or fair value or NAV	Book Value (Net of provisions)	Total
	1. Related Parties					
(a) Subsidiaries	-	-	-	0.01	0.01	0.01
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>

8) Other Information		As at March 31, 2021	As at March 31, 2020
<b>Particulars</b>			
(i) Gross non- performing assets			
(a) Related parties		-	-
(b) Other than related parties		-	2,710.24
(ii) Net non- performing assets			
(a) Related parties		-	-
(b) Other than related parties		-	912.15
(iii) Assets acquired in satisfaction of debt		-	-

**46.27 Update on RBI Inspection**

During the financial year ended March 31, 2021, Reserve Bank of India (RBI) conducted on site the inspection w.r.t. the financial year 2019-20.

The Inspection Report ("Report") was received in April 2021, Altico submitted their point wise detailed responses to the report on 9th June, 2021.

Some of the major supervisory concerns highlighted in the Report were on Assets, Management, liquidity and systems & control. However, given the current situation, RBI has not proposed any risk mitigation plan.

The Company, had intimated RBI on the resolution plan process vide its letter dated November 06, 2020. A part of the Resolution Plan, the Company and its shareholders have entered into the Settlement Agreement with lenders pursuant to which the default in its debt repayment has been cured.

**Altico Capital India Limited**

**Notes to the financial statements for the year ended March 31, 2021**

(Currency : Indian Rupees in crores)

**46. Regulatory disclosures - RBI (Continued)**

**46.28 Overseas assets**

The Company did not have any Joint Ventures and Subsidiaries abroad as at March 31, 2021 (March 31, 2020: Nil)

**46.29 Reporting of Frauds**

For the year ended March 31, 2021

The Company has not reported any fraud during the current year.

For the year ended March 31, 2020

The Company had reported frauds (on Company) aggregating Rs. 157.55 crores to the regulators through prescribed returns.

**47. Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.**

As per our report of even date attached.

**For MSKA & Associates**

Firm Registration No.: 105047W

For and on behalf of the Board of Directors

**Altico Capital India Limited**

**Swapnil Kale**

*Partner*

Membership No. - 117812

**Ameeta Trehan**

*Non Executive Director*

DIN - 07087510

**Sharadkumar Bhatia**

*Non Executive Director*

DIN - 07327383

**Atit Kumar Soni**

*Non Executive Director*

DIN - 02788461

**Dhruv Jain**

*Chief Financial Officer*

Mumbai

June 23, 2021

Mumbai

June 23, 2021