

ALTICO

Directors Report
FY 2021-22

Altico Capital India Limited

Office No. 4, Simpliwork Offices Pvt Ltd., One BKC, unit no. 1802, 18th Floor, Tower B, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

T: +91 22 6715 4000 F: +91 22 6715 4001 CIN U74110MH2004PLC144260

Website: www.alticocap.com

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

Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company along with the Audited Financial Statements for the Financial Year (“FY”) ended March 31, 2022.

Financial Highlights:

(Amount in INR Lakh)

Particulars	Financial Year 2021-22	Financial Year 2020-21
Total Income	3,950.71	2,67,630.02
Total Expenditure	2,705.37	3,39,198.47
Profit Before Tax and exceptional items	1,245.34	(71,568.45)
Provision for Tax	-	-
Profit for the year	1,245.34	(71,568.45)
Other comprehensive Income (net of tax)	(13.40)	11.18
Total comprehensive Income for the period	1,231.94	(71,557.27)
Earnings per share (Face Value INR 10)		
Basic	0.23	(13.39)
Diluted	(0.23)	(13.39)

The Directors are pleased to inform the members that the resolution process has concluded and the final distribution has been made as per the terms of the Settlement Agreement on March 10, 2022.

The Directors also confirm that as part of the Settlement Agreement, the company had applied to the Reserve Bank of India (RBI) for surrender of its Certificate of Registration. Subsequently, the RBI had vide email dated August 25, 2021 sent an intimation letter approving the cancellation of CoR vide their cancellation order dated August 13, 2021. The Company ceased to be a NBFC by virtue of this order and is currently operating only as advisory services company.

For FY 2021-22, the Company’s total revenue was INR 3,950.71 lakh as against INR 2,67,630.02 lakh for FY 2020-21. The total expenditure for FY 2021-22 was INR 2,705.37 lakh as against INR 3,39,198.47 lakh for FY 2020-21. The total revenue for FY 2021-22 included a one-off item of INR 2,303.18 lakh arising from write back of the principal amount of borrowings which are no longer payable post final distribution as per the Settlement Agreement. 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. The resultant Profit before Tax for the year FY 2021-22 is of INR 1,245.34 lakh as against the Net loss of INR 71,568.45 lakh in FY 2020-21.

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.

RESERVES

The movement in the major reserves of the Company for the financial year 2021-22 and the previous financial year are as follows:

(Amount in INR lakh)

Particulars	For the financial year ended 31st March 2022	For the financial year ended 31st March 2021
Securities Premium	1,59,440.02	1,59,440.02
Statutory Reserve under section 45 IC of RBI Act, 1934	-	21,850.99
Capital Redemption Reserve	510.79	510.79
Share options outstanding account	2,054.17	2,054.17
Retained Earnings		
Opening Balance	(2,27,855.81)	(1,56,520.79)
Add: Profit for the year	1,245.34	(71,568.45)
Add: Other comprehensive income	(13.40)	11.18
Amount available for appropriation	(2,26,623.87)	(2,28,078.06)
Appropriations		
Add: Transfer from statutory reserve upon cancellation of NBFC License	21,850.99	-
Add: Transfer from shared based payment reserve	-	222.25
Closing Balance	(2,04,772.88)	(2,27,855.81)

DIVIDEND

Due to losses incurred by the Company, the Board of Directors has not recommended any dividend for FY 2021-22.

STATE OF COMPANY'S AFFAIRS

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

The Second and Final tranche of the Settlement Amount has been paid to the lenders on 10th March 2022 in accordance with the terms of the Settlement Agreement.

The Company had applied for surrendering the Certificate of Registration ('CoR') to RBI on March 19, 2021 and the same was approved vide their email dated August 25, 2021, providing an intimation letter approving the cancellation of Certificate of Registration vide cancellation order dated August 13, 2021. Thus, the Company was no longer engaged in Non-Banking Financial Company activity and accordingly the compliances of relevant RBI Regulation/Master Directions as applicable to NBFC's were not applicable to the company during the year.

Subsequently, the Company had made an application to the Bombay Stock Exchange ("BSE") for delisting of its ISINs and the same was accepted by the BSE. Thus, the Company does not require to comply with the provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("LODR").

Since 'Ares SSG entities had appointed the Company for rendering services in relation to the sold loan assets, the Company has entered into a servicing agreement with Ares SSG entities detailing the terms and conditions and the commercial understanding therein.

CHANGE IN NATURE OF BUSINESS, IF ANY:

The Company had applied for surrendering its NBFC Certificate of Registration ('CoR') to Reserve Bank of India ("RBI"), vide email dated on March 19, 2021 and the same was approved vide their cancellation order dated August 13, 2021 received through email dated August 25, 2021. Consequently, the Company discontinued the business of a non-banking financial institution and to not engage in any non-banking financial institution related activities in the future without prior approval of the Reserve Bank of India.

Thus, the company with the approval of members at the Extraordinary General Meeting held on March 10, 2022 have changed in its main business activity to consulting and advisory services subject to the approval of the Registrar of Companies.

SHARE CAPITAL

During the year under review, there has been no change in the share capital of the Company on account of buy-back of securities, issuance of sweat equity or bonus shares. Further, the Company has not provided any stock option scheme to its employees.

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited having their Registered Office at IL & FS Financial Centre, Plot No C22, G Block, Bandra Kurla Complex, Bandra East, Mumbai-400051, Maharashtra, India were the Debenture Trustees of the Company till the final settlement of dues payable to all the Lenders as per the Settlement Agreement.

Altico Capital India Limited

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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. Sharad Kumar Bhatia	Nominee Non-executive Director	Cessation	09.11.2021
Mr. Neeraj Kumar	Additional Nominee Non-Executive Director	Appointment	23.12.2021

Mr. Neeraj Kumar was appointed as Additional Nominee Non-Executive Director and his term will be expire at the end of the ensuing Annual General Meeting and he is liable for appointment as Nominee Non-Executive Director of the Company and the resolution seeking his appointment will be consider at the forthcoming Annual General Meeting.

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

Based on the declarations and confirmations received in terms of the applicable provisions of the Act 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 being a wholly owned subsidiary of India Credit Pte. Ltd., the Company is not required to appoint Independent Director under the provisions of Section 149 the Companies Act, 2013 and hence statement of declaration of independence by the Independent Directors are not applicable.

KEY MANAGERIAL PERSONNEL

During the year under review, the change undertaken in the composition of Key Managerial Personnel of the shareholders, is summarised below:

Mr. Dhruv Jain	Chief Financial Officer	Cessation	13.12.2021
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The position of the CEO, CFO and Company Secretary continues to remain vacant. In view of its present position, your Company continues to face challenges in recruiting suitable talent for appointment of other key managerial positions.

ANNUAL EVALUATION OF THE BOARD

During the year under review, with the provision of section 134 read with Rule 8 of the Companies (Account) Rule, 2014, the Board of Directors of the Company has not been able to carry out the annual evaluation process for every Director and for the Board of the Company. There are no committees required to be constituted and all the Directors are Nominee Directors. None of the board members are executive of the Company and serves on the board purely as nominees of the shareholders who have appointed them on the Board of the Company. Save and except the said services agreement with Ares SSG there is no other business or client of the Company and therefore the new operations pursuant to surrender of NBFC licence. Presently, the Company is managed by the professionals employed by the Company, and the board members are statutorily functioning in Per-functionary capacity for reasons set out hereto.

Pursuant to the settlement of dues of the lenders, the management is reviewing the situation and will take appropriate measures to be able to comply with board evaluation requirement once the executive board is appointed outside as contrast to present nominee non- executive board members.

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'

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 in form STK 7 has been received from ROC on January 12, 2022. 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.

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. However, as per the provision of the Companies Act, 2013 it is not considered as Associate Company.

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, 2022. The annual audited financial statements are also available on the website of the Company at www.alticocap.com/financials.

PUBLIC DEPOSITS

The Company was a “Non-Deposit Accepting Non-Banking Financial Company” till August 13, 2021, 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.

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.

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. 31 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.

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 with respect to loans made, guarantees given or securities provided by the Company were not applicable to the Company. However, the Certificate of Registration for carrying with NBFC activities was cancelled vide order dated August 13, 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. In response, the company has highlighted to the auditors the challenges faced by your Company in this regard and that the KMP positions are proposed to be suitably filled, consequent to the envisaged change in control.

RISK MANAGEMENT POLICY

The key business risks identified by the Company are Business, Reputation and Financial Risks.

The Company has adopted a policy on Risk Management for identifying and evaluating and mitigating key business risks. The policy specifies the risk management approach of the Company and includes periodic review of such risks, including documentation, mitigating controls and reporting mechanism for such risks.

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.

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

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, disclosures with respect to the remuneration of Directors and employees is applicable to the Listed Company.

However, the Company is not considered as Listed Company as per the provision of Rule 2A of the Companies (Specifications of definitions details) Rules, 2021. Thus, the requirement to comply with the above provision is not applicable to the company.

EMPLOYEE STOCK OPTION SCHEME

The Company has in existence an approved Equity settled Stock based Incentive plan (Scheme 2015) for issue of stock options to the eligible employees. Post settlement of dues with the lenders, the management is reviewing the existing plan for its continuity or otherwise. In view of this, the Company has not amortised any ESOP related expenses in the current year and it was amortised only till date of default i.e. September 12, 2019. Accordingly, the details of the scheme/plans i.e. start date, expiry date, no. of options outstanding etc. have not been disclosed.

The Company has a reserve in the Financials for the place "Altico Capital India Limited Stock Based Incentive Plan 2015". The said plan was relevant before the default, however it is not relevant in this situation, and the Auditor has given a qualified opinion in this regard. Due to the restructuring exercise and lender driven change of control being under implementation, it was thought fit that a status quo in relation to the said scheme being maintained until more clarity is provided to the management as regards the future operations of the Company under changed circumstances.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In view of losses in the preceding financial year, the Company is not required to spend toward CSR for the Financial Year 2021-2022 and the requirement for constitution of CSR Committee is not applicable pursuant to the provision of section 135(9) of the Companies Act, 2013.

In this circumstances, Annual Report on CSR activities as prescribed under section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

AUDITORS

STATUTORY AUDITORS AND THEIR REPORT

M/s. Ray & Ray, Chartered Accountants, (ICAI Firm Registration No. 301072E) were appointed as the Statutory Auditors of the Company to hold the office for a period of 5 years from the conclusion of 17th Annual General Meeting up to the 22nd Annual General Meeting to be held for the financial year 2025-26.

The Auditors' Report is qualified and replies to their qualification are enclosed as Annexure -B to this 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 an Annexure - C 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, and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, relating to decrease in required number of directors, non-appointment of Chief Executive Officer and Company Secretary, no circulation of signed minutes, non-signing of financial statement by Chief Executive Officer and Company Secretary for the financial year 2020 -2021, 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, as advised to it.

Additionally post surrender of NBFC License, full payment as per settlement agreement and delisted all ISIN and the company ceases to be a Public Listed company.

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.

REPORTING OF FRAUDS BY AUDITORS

During the year under review none of the Auditors have 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

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

Composition & Board Diversity:

S.no.	Name of the Director(s)	Category
1.	Mr. Atit Kumar Soni	Nominee Non-Executive Director
2.	Ms. Ameeta Trehan	Nominee Non-Executive Director
3.	Mr. Neeraj Kumar	Additional Nominee Non-Executive Director

Mr. Atit Kumar Soni (DIN: 02788461), Nominee Non- Executive Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

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 8 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 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 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:

Sr. No.	Date of Board Meetings	Atit Soni	Ameeta Trehan	Sharad Kumar Bhatia	Neeraj Kumar
1	04.05.2021	VC	VC	VC	NA
2	07.06.2021	VC	VC	VC	NA
3	23.06.2021	VC	VC	VC	NA
4	14.09.2021	VC	VC	VC	NA
5	06.10.2021	VC	VC	VC	NA
6	25.01.2022	VC	VC	NA	VC
7	21.02.2022	VC	VC	NA	VC
8	28.03.2022	VC	VC	NA	VC
	TOTAL	8	8	5	3

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

b) Committees

As per the provision of section of 177 & 178 of the Companies Act, 2013 read with applicable rules, the Company is exempted from constitution of Audit Committee & Nomination and Remuneration Committee, it being a Wholly Owned Subsidiary. In Furtherance to this, the Company is not even considered as a Listed Company with effect from April 01, 2021, as per the Rule 2A of the Companies (Specification of Definitions Details) Rules, 2014.

During the year under review, the Company did not reconstitute the Audit Committee and Nomination & Remuneration Committee and did not hold any Audit Committee and Nomination & Remuneration Committee Meeting.

Corporate Social Responsibility Committee (CSR)

Pursuant to the provision of section 135(9) the constitution of CSR Committee is not applicable for the company, as the amount to be spent for CSR activities does not exceed fifty Lakhs rupees. In view of above provision company did not reconstitute the CSR Committee and all functioning of committee were discharged by the Board.

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 July 11, 2022 with Ms. Rajeshwari Ramaswamy, Ms. Suhasini Terde, Ms. Madhuparna Dasgupta, Mr. Pramit Mohanty and Dr. Anagha Sarpotdar as its Members.

Composition of the IC:

Sr. No.	Name of the Members	Designation	Status
1.	Ms. Rajeshwari Ramaswamy	Director – Finance	Presiding Officer
2.	Ms. Suhasini Terde	Assistant Vice President-legal administration	Member
3.	Ms. Madhuparna Dasgupta	Director-Legal	Member
4.	Mr. Pramit Mohanty	Director - Legal	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.

c) Policies / Code.

In terms of the applicable provisions of Companies Act, 2013, the Board of Directors has adopted several policies/guidelines for the effective governance of the Company which includes the following:

1. Policy for Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace
2. Related Party Transaction Policy
3. Corporate Social Responsibility Policy
4. Whistle Blower Policy/ Vigil Mechanism

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, 2022 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, 2022, 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.

DETAIL OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE, IF ANY

During the year, the Company had received order dated August 13, 2021, vide email dated August 25, 2021, from RBI approving the application regarding surrender of Certificate of Registration for carrying NBFC Activities. Consequent to the order of RBI, the Company cannot operate its NBFC Activity. In Compliance with the order, the Company had changed its business segment from NBFC activity to provide Consulting & Advisory Services.

Since, the Company had paid its liabilities as per terms of Settlement Agreement, it had applied to BSE for delisting of its ISINs and the same was accepted by the BSE. Thus, the Company is not require their after to comply with the provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("LODR").

There were no other 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.

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

No material changes and commitments have occurred after the closure of the financial year till the date of this Report which shall affect the financial position of the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, no application has been made and proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS' ALONG WITH THE REASONS THEREOF:

No such instance of one-time settlement has been done by the Company with its bankers during the period under review.

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)

Neeraj Kumar
Additional Non-Executive Director
(DIN: 08332581)

Place: Mumbai
Date: 30.08.2022

Annexure 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, 2022, the Company did not spend any amounts in foreign exchange and neither it 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)**

**Neeraj Kumar
Additional Non-Executive Director
(DIN: 08332581)**

**Place: Mumbai
Date: 30.08.2022**

ANNEXURE B
COMPANY REPLY TO INDEPENDENT AUDITOR'S QUALIFICATIONS

Sr. No.	Independent Auditor's Qualification	Company's Reply
1.	Attention is drawn to Note No 44. The Company has an existing approved security settled stock-based employee (ESOP) incentive plan. Options have been granted to eligible employees on different dates with different vesting period. In 2019, the Company defaulted in payment to lenders and subsequently, based on an approved resolution plan, dues of the lenders have been settled. The Company ceased to operate as a non-banking finance company and most of the eligible employees to whom options were granted have left. However, the Company has neither amortised any ESOP related expenses during the current year nor given the disclosures as required by Ind AS 102- Share Based Payment. The management is reviewing the continuity or otherwise of the existing plan. In view of this, we are unable to express an opinion on the balance of Share Options Outstanding Account of Rs 2.054.17 lacs as on 31st March 2022.	<p>The Company has Share option outstanding reserve in its Reserves for the Equity settled Stock based Incentive plan (Scheme 2015). The said plan was relevant before the default.</p> <p>The continuity of the existing ESOP plan / any other ESOP plan will depend on the incoming investors and the Directors had recommended that the current shareholders need not cancel the said plan and should leave the choice of cancellation of the said plan to the incoming shareholders.</p>
2.	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, company secretary employed on full year basis;	The position of the CEO, CFO and Company Secretary continues to remain vacant. In view of its present position, your Company continues to face challenges in recruiting suitable talent for appointment of other key managerial positions.

**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)

Neeraj Kumar
Additional Non-Executive Director
(DIN: 08332581)

Place: Mumbai
Date: 30.08.2022

Altico Capital India Limited

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Website: www.alticocap.com

ANNEXURE C

Form MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2022

**[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,

Office no 4, Simpliwork Offices Pvt Ltd, One BKC unit no 1802,

18th floor, Tower B, BKC Bandra (E) 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, 2022 complied with the statutory provisions listed hereunder and also that the Company has 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, 2022, according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

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- (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. No overseas Direct Investment and External Commercial Borrowings 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;

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, 2018 – Not Applicable;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile the SEBI (Share Based Employee Benefits) Regulations 2014 - Not Applicable;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008 *except for*
 - *SEBI Circular dated 10.08.2021 w.r.t. Operational framework for transactions in defaulted debt securities post maturity date/redemption;*

- (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.

Further, as a precautionary measure against “COVID 2019”, the audit process has been modified, wherein documents /records etc. were verified in electronic mode and have relied on the representations received from the Company for its accuracy and authenticity.

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 and not in accordance with the regulation 6, pursuant to which Compliance Certificate in terms of regulation 7(3) for half year ended 31.03.2021 and 30.09.2021 were not signed by said Officer;*
 - *Delay in certain intimations under regulation 50, 51 and 56;*
 - *Intimation of Financial Results for half year ended 30.09.2021 and quarter ended 31.12.2021 to Stock Exchange within the prescribed time limit as per regulation 52. The Company had applied to SEBI for granting extension to submit Unaudited Financial Results for quarter and half year ended 30.09.2021 and no penalty was levied by SEBI or Stock Exchange;*
 - *Disclosure of certain ratios pursuant to regulation 52 in Financial Results for the half year ended 30.09.2021 and quarter ended 31.12.2021 and asset cover as per regulation 54 during the year as the Company’s outstanding borrowings is as per Settlement*

Agreement dated 02.03.2021 entered into by the Company and Lenders and the same is repayable as per the terms of Settlement Agreement, accordingly the Company is of the opinion that these ratios and asset cover is not applicable in the present scenario to the Company;

- *Delay in Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" w.r.t. SEBI Circular dated 22.10.2020;*

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:

- *Total number of Directors in the Company were below 3 (three) from 09.11.2021 to 22.12.2021;*
- *Key Managerial Personnel i.e. Company secretary and CEO/ Manager/ Managing Director was vacant throughout the year under review;*
- *Circulation of signed minutes to directors as per Secretarial Standards – 1 was not perused;*
- *Due to non-appointment of Company Secretary and Chief Executive Officer of the Company, the Financial Statements for the financial year 2020-2021 were not signed by the them;*

The Company vide Letter dated 19.03.2021 made an application for deregistration/Surrender of the certificate of Registration ("COR") No. N-13.01777 to the RBI. The RBI vide Cancellation Order dated 13.08.2021, cancelled the COR of the Company in terms of Section 45-IA (6) of the RBI Act, 1934 and hence we have checked the related compliances up to 13.08.2021.

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 Directions issued by Reserve bank of India from time to time and as prescribed for Systemically Important Non-Deposit Accepting Non-Banking Financial Company.

(b) Prevention of Money Laundering Act, 2002.

I further report that

Except as stated above the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

The decisions at Board Meetings are carried out and recorded in the minutes of the Board of Directors.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that 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. Appointment and Resignation of Directors of the Company;
- b. Resignation of Chief Financial Officer of the Company;
- c. Cancellation of Certificate of Registration ("CoR") of the Company by the Reserve Bank of India (RBI) vide their order dated 13.08.2021;
- d. Board approval for change in name of the Company as per one of the requirements of the said RBI order;
- e. Shifting of registered office of the Company within local limits;
- f. Strike off the name of Altico Housing Finance India Limited, a Wholly Owned Subsidiary of Company from the Register of the Registrar of Companies;
- g. Redemption of Non-Convertible Debentures pursuant to settlement agreement dated 02.03.2021;

- h. Approval from shareholders of the Company obtained for the following:
- Appointment of M/s Ray & Ray (Firm Registration No. 301072E), Chartered Accountants, as Statutory Auditors of the Company in casual vacancy;
 - Appointment of M/s Ray & Ray (Firm Registration No. 301072E), Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 years;
 - Amendment and restatement of the Memorandum of Association of the Company.

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

Place: Mumbai

Date: 29/08/2022

Aashish Bhatt

Proprietor

ACS No.: 19639, COP No.: 7023

PR no.: 563/2018

UDIN: A019639D000843308

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

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

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

Place: Mumbai
Date: 29/08/2022

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
PR no.: 563/2018
UDIN: A019639D000843308

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INDEPENDENT AUDITOR'S REPORT

To
The Members
ALTICO CAPITAL INDIA LIMITED

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of **ALTICO CAPITAL INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Financial statements").

In our opinion and to the best of our information and according to explanations given to us, *except for the effect of the matter stated in the basis of qualified opinion section*, 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis of Qualified Opinion

Attention is drawn to Note No 44. The Company has an existing approved security settled stock-based employee (ESOP) incentive plan. Options have been granted to eligible employees on different dates with different vesting period. In 2019, the Company defaulted in payment to lenders and subsequently, based on an approved resolution plan, dues of the lenders have been settled. The Company ceased to operate as a non-banking finance company and most of the eligible employees to whom options were granted have left. However, the Company has neither amortised any ESOP related expenses during the current year nor given the disclosures as required by Ind AS 102- Share Based Payment. The management is reviewing the continuity or otherwise of the existing plan. In view of this, we are unable to express an opinion on the balance of Share Options Outstanding Account of Rs 2.054.17 lacs as on 31st March 2022.

We conducted our audit of the financial statements 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Altico Capital India Limited

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Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Financial Statements for the year ended March 31, 2022. 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. We have determined the matter described below to be the Key Audit Matter to be communicated in our report:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	Settlement of dues of lenders as per resolution plan (Refer Note 14, 43 & 46.)	
	<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 which has been done in the current year.</p> <p>The various agreement viz. settlement agreements, assignment agreement, 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 judgment 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"> 1) Obtained and read the copies of the resolution passed at the meetings of shareholders and Board of Directors approving the resolution plan. 2) Obtained and read the extracts of the Settlement agreement, Assignment agreement entered into by the Company. 3) Verified on test check basis the receipt of monies from SSG on sale of loans and other assets in earlier years as per the Settlement Agreement 4) Verified on test check basis the amounts of distribution to the lenders as per the Settlement Agreement and the No Dues Certificate issued by the lenders 5) Verified the application to RBI for surrender of its Certificate of Registration and subsequent cancellation of such registration by RBI. 6) Verified the disclosure made by the Company in this regard.

Emphasis of Matter

Attention is drawn to the following:

- i) Note No 2.01 regarding the preparation of accounts on a going concern basis.
- ii) Note no 29, regarding unspent amount of Rs. 823 lacs in respect of the financial year 2019-20 related to activities under Corporate Social Responsibilities to be undertaken by the Company in compliance of section 135 of the Companies Act 2013.

Altico Capital India Limited

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Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of the Company for the year ended March 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on March 31, 2021.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the 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 ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our report we report that:
 - a) we have sought and obtained reasonably all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements, *except to the extent mentioned in basis of qualification para above*, comply with Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an ~~unmodified~~ adverse opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid /provided any remuneration to its directors during the year. As such the provisions of section 197 of the Act are not applicable at present

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with the Companies (Audit & Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position. Refer note 43 (i).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note no 43 (ii).
- iii. The Company is not required to transfer any amount to the Investor Education and protection Fund.
- iv. The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities "Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- v. The management has represented, that, to the best of it's knowledge and belief, , no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under subclause (iv) and (v) contain any material mis-statement.

3. The Company does not have a Managing Director/ Chief Executive officer / whole time director and a full-time company secretary as required by the Companies Act 2013. Further, the Company does not have any independent director and also any committees viz audit committee, remuneration committee, CSR committee etc. as required by the Companies Act 2013 and the relevant rules.

For RAY & RAY
Chartered Accountants
FRN: 301072E

(Anil P. Verma)
Partner
Membership No. 090408
UDIN-22090408AQJEOJ9484

Place: New Delhi
Date: 30.08.2022

Annexure A to the Independent Auditor's Report

(The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report to the members of ALTICO CAPITAL INDIA LIMITED of even date)

- i) In respect of the Company's property, plant & equipment:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars, of intangible assets .
 - (b) The property, plant and equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancy found, which is not material, has been suitably accounted for.
 - (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 all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (d) The Company has not revalued its property, plant and equipment during the year. Accordingly, reporting under this clause is not applicable.
 - (e) According to information and explanations given to us and on the basis of our checking of records etc., proceedings have not been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) The Company did not have any inventory during the year. Accordingly, reporting under clause (a) and (b) of paragraph 2 (ii) of the Order is not applicable to the company.
- iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties. Accordingly, clauses (a) to (f) of paragraph 3 (iii) the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not made investments. given loans and provided guarantees and security. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits. There is no amount which is deemed to be deposits. Accordingly, reporting under paragraph 3 (v) of the Order is not applicable to the Company
- vi) The Central Government has not prescribed the maintenance of cost records by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate

authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were outstanding, as at 31.03.2022 for a period of more than six months from the date they became payable.

- (b) According to the records of the company and the information and explanations given to us, the outstanding amount of income tax as on 31st March 2022 not deposited with the authorities on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income tax	3,496.05 lacs	AY 2019-20	Commissioner of Income tax (Appeals)
The Income Tax Act 1961	Income tax	262.88 lacs	AY 2013-14	--do--

- viii) According to information and explanations given to us and on the basis of our checking of records etc., there is no transaction which is not recorded in the books of account and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) According to the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of loans to financial institutions, banks and debenture holders (refer note 14 & 46)
- x) (a) 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.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) of the Order is not applicable to the Company.
- xi) (a) According to the information and explanations given to us, no fraud by the company or on the Company has been noticed or reported during the year.
- (b) In view of this, the reporting under clause 2 (xi) (b) is not applicable to the company.
- (c) On the basis of our checking of records and information and explanations provided to us, no whistle-blower complaint has been received during the year by the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) clauses (a) to (c) of the Order is 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 generally 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) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) We have reviewed the audit report issued by the internal auditors
- 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, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company held certificate as an Non-Banking Financial Company under section 45-1A of the Reserve Bank of India ('RBI') Act, 1934. During the year, on application of the Company, the RBI has cancelled the certificate on 19th August 2021. Post cancellation, the company is engaged in providing advisory services and is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) clauses (a) to (d) of the Order is not applicable to the Company (Refer note 2.01 and note no 30).
- xvii) The Company has incurred cash losses of Rs 972. 77 lacs during the financial year. There was no cash loss in the immediately preceding financial year.
- xviii) There has been resignation of the statutory auditors during the year. However, there was no issues, objections or concerns raised by the outgoing auditor.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) On the basis of our checking of records, we are of the opinion that during the year there was no amount which is required to be transferred to a fund specified in Schedule VII of the Companies Act in compliance of second proviso of sub-section (5) of section 135 of the Companies Act 2013 in respect of is not applicable to the Company. Attention is also invited to note no. 29 in this respect.

For RAY & RAY
Chartered Accountants
FRN: 301072E

(Anil P. Verma)
Partner
Membership No. 090408
UDIN-22090408AQJEOJ9484

Place: New Delhi
Date: 30.08.2022

“ANNEXURE B” TO INDEPENDENT AUDITOR’S REPORT OF ALTICO CAPITAL INDIA LIMITED

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report]

Report on the Internal Financial Control 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 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements 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 reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Altico Capital India Limited

Office No. 4, Simpliworx Offices Pvt Ltd., One BKC, unit no. 1802, 18th Floor, Tower B, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

T: +91 22 6715 4000 F: +91 22 6715 4001 CIN U74110MH2004PLC144260

Website: www.alticocap.com

Meaning of Internal Financial Controls over Financial Reporting

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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, 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 the 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 weakness have been identified in the Company's internal financial controls over financial reporting as at March 31, 2022:

- 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, company secretary employed on full year basis;

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference 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 the financial statements and such internal financial controls with reference to financial statements were not operating effectively as of March 31, 2022, 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, 2022, and the material weaknesses do not affect our opinion on the said Ind AS financial statements of the Company.

For RAY & RAY
Chartered Accountants
FRN: 301072E

(Anil P. Verma)
Partner
Membership No. 090408
UDIN-22090408AQJEOJ9484

Place: New Delhi
Date: 30.08.2022

Altico Capital India Limited
Balance sheet as at March 31, 2022

(Currency: Indian Rupees in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non Current assets			
a) Property, Plant and Equipment	3	104.68	397.37
b) Right of Use Assets	3	-	-
c) Other Intangible assets	3	0.85	2.16
d) Financial Assets			
i) Investments	4	-	-
e) Deferred tax assets (net)	5	-	-
f) Income tax receivable	6	9,520.12	6,989.59
Total Non Current Assets		9,625.65	7,389.12
II Current assets			
a) Financial Assets			
i) Trade receivables	7	0.46	1.77
ii) Cash and cash equivalents	8	1,645.10	34,323.80
iii) Other financial Assets	9	358.36	218.14
b) Other current assets	10	411.76	568.83
Total Current Assets		2,415.68	35,112.54
Total Assets		12,041.33	42,501.66
EQUITY AND LIABILITIES			
I Equity			
a) Equity Share capital	11	53,438.12	53,438.12
b) Other Equity	12	(42,767.90)	(43,999.84)
		10,670.22	9,438.28
II LIABILITIES			
A Non-current liabilities			
a) Financial Liabilities		-	-
b) Non current - Provisions	13	189.58	267.88
c) Other non-current liabilities	43	855.35	-
Total Non-current liabilities		1,044.93	267.88
B Current liabilities			
a) Financial Liabilities			
i) Short term borrowings	14	-	29,516.15
ii) Trade payables			
Total outstanding dues of micro and small enterprises	15	-	-
Total outstanding dues of creditors other than micro and small enterprises	15	18.15	1,696.07
iii) Other financial liabilities	16	181.59	4.63
b) Current Provisions	17	69.63	1,495.63
c) Current Tax Liabilities (Net)		-	-
c) Other current liabilities	18	56.81	83.02
Total Current Liabilities		326.18	32,795.50
Total Equity and Liabilities		12,041.33	42,501.66

See accompanying notes forming part of the standalone financial statements

In terms of our report of even dated

For RAY & RAY

Chartered Accountants

Firm Registration No. - 301072E

For and on behalf of the Board of Directors

Anil P. Verma

Partner

Membership Name - 090408

Ameeta Trehan

Non Executive Director

DIN - 07087510

Neeraj Kumar

Non Executive Director

DIN - 08332581

Atit Kumar Soni

Non Executive Director

DIN - 02788461

Place: Mumbai

Date: August 29, 2022

Place: Mumbai

Date: August 29, 2022

Altico Capital India Limited**Statement of Profit and loss for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I INCOME			
Revenue From Operations			
a) Interest income	19	-	78,094.47
b) Advisory fee income		1,586.29	-
c) Net gain on derecognition of financial instruments		-	11,700.00
		<u>1,586.29</u>	<u>89,794.47</u>
b) Other Income	20	2,364.42	1,77,835.55
		<u>3,950.71</u>	<u>2,67,630.02</u>
Total Income			
II EXPENSES			
a) Employee benefits expense	21	2,010.83	2,200.41
b) Finance cost	22	12.46	42,499.21
c) Depreciation and amortisation expense	3	85.07	528.97
d) Net loss on derecognition of financial instruments under amortised cost category		-	2,77,487.55
e) Impairment on financial instruments, other assets and provisions	23	-	13,232.61
f) Other expenses	24	597.01	3,249.72
		<u>2,705.37</u>	<u>3,39,198.47</u>
Total expenses			
III Profit / (Loss) before tax (I - II)		1,245.34	(71,568.45)
IV Tax expense			
a) Current tax		-	-
b) Deferred tax	37	-	-
c) Short/(Excess) provision for tax relating to prior years		-	-
		<u>-</u>	<u>-</u>
V Net Profit / (Loss) for the year (III - IV)		1,245.34	(71,568.45)
VI Other Comprehensive Income			
a) (I) Items that will not be reclassified to profit or loss			
Remeasurement gains and (losses) on defined benefit obligations (net)		(13.40)	11.18
(II) Income tax relating to items that will not be reclassified to profit or loss	37	-	-
		<u>(13.40)</u>	<u>11.18</u>
Total Other Comprehensive Income			
VII Total Comprehensive Income / (Loss) for the year (V + VI)		1,231.94	(71,557.27)
Basic and diluted earnings per equity share in Rupees (Face value Rs. 10 each)	25	0.23	(13.39)

See accompanying notes forming part of the standalone financial statements

In terms of our report of even dated

For RAY & RAY

Chartered Accountants

Firm Registration No. - 301072E

For and on behalf of the Board of Directors**Anil P. Verma**

Partner

Membership Name - 090408

Ameeta Trehan

Non Executive Director

DIN - 07087510

Neeraj Kumar

Non Executive Director

DIN - 08332581

Atit Kumar Soni

Non Executive Director

DIN - 02788461

Place: Mumbai

Date: August 29, 2022

Place: Mumbai

Date: August 29, 2022

Altico Capital India Limited
Statement of Cash flows for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit/(Loss) before tax	1,245.34	(71,568.45)
<i>Adjustments for</i>		
Depreciation and amortisation	85.07	528.97
Net gain on derecognition of financial instruments	-	11,700.00
Net loss on derecognition of financial instruments under amortised cost category	-	2,77,487.55
Write back of borrowings principal & EIR adjustment	-	(1,36,053.77)
Write back of provision no longer required on assets	(2,303.18)	-
Impairment on financial instruments	-	13,232.61
Provisions for employee benefits	69.23	84.00
Fixed assets scrapped	203.80	0.49
Interest income accrued but not received	-	55,614.99
Operating cash flow before working capital changes	(699.74)	1,51,026.39
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Bank balance other than cash and cash equivalents	-	2,773.74
Other receivables	1.31	314.29
Loans	-	(97,692.17)
Proceeds from Sale of Loan Portfolio as part of assignment agreement	-	2,03,400.94
Other financial assets - Current	(140.22)	81.62
Other non financial assets - Current	157.07	107.08
<i>Adjustments for increase/ (decrease) in operating liabilities</i>		
Trade payables	(1,677.92)	(365.61)
Other financial liabilities	176.96	(38.45)
Provisions	(1,586.93)	(83.66)
Other non financial liabilities	829.14	(802.75)
Cash generated from / (used in) operations	(2,940.33)	2,58,721.42
Income taxes recovered/(paid)	(227.34)	1,184.11
Net cash generated from / (used in) operating activities -A	(3,167.67)	2,59,905.53
B Cash flow from investing activities		
Purchase of Property, plant and equipment	-	(4.64)
Proceeds from sale of Property, plant and equipment	5.12	-
Proceeds from investments	-	(1.00)
Net cash generated from / (used in) investing activities - B	5.12	(5.64)
C Cash flow from financing activities		
Repayment of borrowings	-	(38,291.56)
Repayment of borrowings as part of the Settlement agreement	(29,516.15)	(2,30,490.77)
Net cash (used in) financing activities - C	(29,516.15)	(2,68,782.33)

Altico Capital India Limited
Statement of Cash flows for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net (Decrease) in cash and cash equivalents (A+B+C)	(32,678.70)	(8,882.44)
Cash and cash equivalent as at the beginning of the year	34,323.80	43,206.24
Cash and cash equivalent as at the end of the year (Ref. Note 8)	1,645.10	34,323.80

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

In terms of our report of even dated

For RAY & RAY
Chartered Accountants
Firm Registration No. - 301072E

For and on behalf of the Board of Directors

Anil P. Verma
Partner
Membership Name - 090408

Ameeta Trehan
Non Executive Director
DIN - 07087510

Neeraj Kumar
Non Executive Director
DIN - 08332581

Place: Mumbai
Date: August 29, 2022

Atit Kumar Soni
Non Executive Director
DIN - 02788461

Place: Mumbai
Date: August 29, 2022

Altico Capital India Limited
Statement of changes in equity As at March 31, 2022

(Currency: Indian Rupees in lakh)

A. Equity Share Capital

	Number of Shares	Amount
Balance at April 1, 2020	53,43,81,215	53,438
Add/(Less): Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 1, 2020	53,43,81,215	53,438
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	53,43,81,215	53,438
Add/(Less): Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 1, 2021	53,43,81,215	53,438
Changes in equity share capital during the year	-	-
Balance at March 31, 2022	53,43,81,215	53,438

B. Other Equity

Particulars	Other Equity					Total Other Equity
	Reserves and Surplus					
	Securities premium	Statutory reserve	Capital Redemption reserve	Employee stock options	Retained Earnings	
Balance as at April 1, 2020	1,59,440.02	21,850.99	510.79	2,276.42	(1,56,520.79)	27,557.43
Add/(Less): Changes due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2020	1,59,440.02	21,850.99	510.79	2,276.42	(1,56,520.79)	27,557.43
Loss for the year	-	-	-	-	(71,568.45)	(71,568.45)
Other comprehensive income / (loss) for the year	-	-	-	-	11.18	11.18
Transfer from / (to)	-	-	-	(222.25)	222.25	-
Balance as at March 31, 2021	1,59,440.02	21,850.99	510.79	2,054.17	(2,27,855.81)	(43,999.84)
Add/(Less): Changes in due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2021	1,59,440.02	21,850.99	510.79	2,054.17	(2,27,855.81)	(43,999.84)
Loss for the year	-	-	-	-	1,245.34	1,245.34
Other comprehensive income / (loss) for the year	-	-	-	-	(13.40)	(13.40)
Transfer from / (to)	-	(21,850.99)	-	-	21,850.99	-
Employee share options	-	-	-	-	-	-
Balance as at March 31, 2022	1,59,440.02	-	510.79	2,054.17	(2,04,772.88)	(42,767.90)

Significant Accounting Policies - Refer Note 1 and 2

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

For RAY & RAY
Chartered Accountants
Firm Registration No. - 301072E

For and on behalf of the Board of Directors

Anil P. Verma
Partner
Membership Name - 090408

Ameeta Trehan
Non Executive Director
DIN - 07087510

Neeraj Kumar
Non Executive Director
DIN - 08332581

Atit Kumar Soni
Non Executive Director
DIN - 02788461

Place: Mumbai
Date: August 29, 2022

Place: Mumbai
Date: August 29, 2022

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

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.

The Company was registered as a NBFC and had made application to Reserve Bank of India (the 'RBI') for surrender of its license to carry on the activities of a non banking financial institution. The RBI has cancelled the Company's NBFC license vide its order dated 13th August, 2021 intimated to the Company on 25th August, 2021 and the Company has ceased to be a NBFC.

Consequent to the surrender of its NBFC license, the Company is not carrying out any financing activity, by virtue of its servicing agreement entered into with ARES SSG entities, the Company is carrying out the business of servicing the assets for a fee at least for the next 1 year and hence the accounts are being prepared on a going concern basis.

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 had 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 was not meeting 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 RBI has cancelled the Company's NBFC license vide its order dated 13th August, 2021 intimated to the Company on 25th August, 2021 and the Company has ceased to be a NBFC.

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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). The Balance Sheet and the Profit and Loss Account are prepared and presented in the format prescribed in the Division II - Schedule III to the Companies Act, 2013 ("the Act"). 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 II 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.

Since the Company was NBFC in previous year, the Financial Statements as at and for the year ended March 31, 2021 were prepared and presented in the format prescribed in the Division III - Schedule III to the Companies Act, 2013. However, since the Company has ceased to be a NBFC in the current financial year, financial statements for the current financial year have been prepared and presented in the Division II - Schedule III to the Companies Act, 2013. The previous year classification / presentation has been modified to conform to the requirement of Division II of schedule III.

All the existing Board of Directors of the Company have resigned with effect from September 9, 2020. Accordingly, all committees including audit committee got dissolved. The Company has appointed new shareholder nominees on the Board, post all erstwhile Directors resigning on Sept 9, 2020. As there were no other committees including the Audit committee appointed, these Financial statements are approved by the Board of Directors.

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 lakhs 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.

2.04 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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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.

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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.

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.

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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.

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.

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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 below:

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

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.

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

(iii) 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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

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.

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.

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.

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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 30 of the financial statements for segment related disclosure.

2.18 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs 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.

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:

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

2. Summary of Significant Accounting Policies (Continued)

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 as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

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Description	Property, plant and equipment							Right-of-use assets	Intangible assets
	Buildings	Furniture & Fixtures	Computer Equipment	Leasehold Improvements	Office Equipment	Vehicles	Total	Total	Total
A. Cost or deemed cost									
Balance at April 1, 2020	44.00	174.88	74.19	466.54	57.95	6.75	824.31	976.78	93.79
Additions	-	-	4.64	-	-	-	4.64	-	-
Deletions	-	-	(4.92)	-	(3.25)	-	(8.17)	(976.78)	-
Balance at March 31, 2021	44.00	174.88	73.91	466.54	54.70	6.75	820.78	-	93.79
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	(105.70)	(15.16)	(466.54)	(45.14)	-	(632.54)	-	-
Balance at March 31, 2022	44.00	69.18	58.75	-	9.56	6.75	188.24	-	93.79
B. Accumulated amortisation									
Balance at April 1, 2020	5.94	19.68	30.61	182.71	30.68	5.29	274.91	325.59	44.93
Amortisation expenses	2.20	19.18	20.81	103.80	9.23	1.45	156.67	325.59	14.86
Impairment loss	-	-	-	-	-	-	-	-	31.84
Eliminated on disposal of asset	-	-	(4.92)	-	(3.25)	-	(8.17)	(651.18)	-
Balance at March 31, 2021	8.14	38.86	46.50	286.51	36.66	6.74	423.41	-	91.63
Amortisation expenses	2.20	9.79	14.39	52.18	5.21	-	83.77	-	1.31
Eliminated on disposal of asset	-	(39.89)	(11.65)	(338.69)	(33.39)	-	(423.62)	-	-
Balance at March 31, 2022	10.34	8.76	49.24	-	8.48	6.74	83.56	-	92.94
Carrying amount (net) (A-B)									
Balance at March 31, 2021	35.86	136.02	27.41	180.03	18.04	0.01	397.37	-	2.16
Balance at March 31, 2022	33.66	60.42	9.51	-	1.08	0.01	104.68	-	0.85

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
4 Investments		
I Investments at cost		
II Investments at fair value through profit or loss		
Security receipts of trusts	3,195.00	3,195.00
Total Gross Investments	3,195.00	3,195.00
III Less: Impairment loss allowance	(3,195.00)	(3,195.00)
	-	-
5 Deferred tax assets (net)		
A. Deferred tax assets		
Differences in depreciation on fixed assets	120.28	66.67
Provision for other receivables	172.74	322.02
Provision for other financial assets	-	10.07
Provision for leave encashment	30.93	20.38
Provision for deferred employee benefits	1.56	335.57
ECL provision on financial assets	804.12	804.12
Provision for gratuity	32.74	20.47
Total	(A) 1,162.37	1,579.30
B. Deferred tax liabilities	(B) -	-
C. DTA not recognized due to absence of reasonable certainty of future taxable profits	(C) 1,162.37	1,579.30
Total	(A - B - C) -	-
6 Income tax receivable		
Income tax receivable (Net)	16,106.40	15,879.05
Less: Provision against TDS receivables	(6,586.28)	(8,889.46)
Total	9,520.12	6,989.59
<p>Provision of Rs 8,889.46 lakhs was made in the previous year on the basis of assessment of recoverable for various years primarily on account of shortfall of tax deducted at source but not deposited etc. The recoverable position was reassessed further as on balancesheet date based on the information available subsequently. Based on this, provision aggregating to Rs 2,303.18 lakhs has been written back as no longer required.</p>		
7 Trade receivables		
Unsecured		
Considered good	0.46	1.77
Considered doubtful	686.34	686.34
	686.80	688.11
Less: Allowance for doubtful debts	(686.34)	(686.34)
	0.46	1.77

(Refer note No. 41 for ageing of trade receivables and expected credit loss allowances.)

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
8 Cash and cash equivalents		
a) Balances with banks		
(i) In current accounts	1,645.10	9,406.04
(ii) In fixed deposit accounts (maturity less than 3 months)	-	24,917.76
	1,645.10	34,323.80
Of the above, the balances that meet the definition of Cash and Cash equivalent as per Ind AS 7 "Statement of Cash Flows" is:	1,645.10	34,323.80
9 Other financial Assets		
a) Security deposits	298.66	258.14
b) Others	59.70	-
	358.36	258.14
Less: Allowance for Doubtful deposits	-	40.00
	358.36	218.14
10 Other current assets		
a) Prepaid expenses Current	181.59	164.78
b) Balance with Government Authorities	823.32	997.20
	1,004.91	1,161.98
Less: Provision for doubtful assets	593.15	593.15
	411.76	568.83

Note: Provision for doubtful assets interalia includes Rs. 475.45 lakhs (Previous Year - Rs. 475.45 Lakhs) provided against GST input credit recoverable. The actual recoverability will be assessed and adjustment entry, if any, will be passed on completion of assessment.

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
11 Equity Share capital				
a) Share capital authorised, issued, subscribed and paid up				
Authorised:				
Equity Shares of Rs. 10 each	79,48,50,000	79,485.00	79,48,50,000	79,485.00
0% Cumulative Redeemable Preference Shares ('CRPS') of face value of Re. 1 each	5,15,00,000	515.00	5,15,00,000	515.00
Total	84,63,50,000	80,000.00	84,63,50,000	80,000.00
Issued, Subscribed & paid up:				
	53,43,81,215	53,438.12	53,43,81,215	53,438.12
Equity Shares of Rs. 10/each	53,43,81,215	53,438.12	53,43,81,215	53,438.12

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

	2022		2021	
	No. of Shares	Amount	No. of Shares	Amount
Issued, Subscribed & paid up:				
Balance at beginning of the year	53,43,81,215	53,438.12	53,43,81,215	53,438.12
Add/(Less): Changes in Equity Share Capital due to prior period error	-	-	-	-
Restated balance at beginning of the year	53,43,81,215	53,438.12	53,43,81,215	53,438.12
Add: Changes in Equity Share Capital during the year	-	-	-	-
Balance at the beginning and end of the year	53,43,81,215	53,438.12	53,43,81,215	53,438.12

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, 2022, 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 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.

e) Details of shareholders holding more than 5 percent shares in the 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 2 years.

Name of the Shareholders	2022		2021	
	No. of Shares	%	No. of Shares	%
i) India Credit Pte Limited ('ICPL') through its nominees	53,43,81,215	100%	53,43,81,215	100%

f) Details of shareholding of all promoters

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 2 years.

Names of the Promoters	2022		2021	
	No. of Shares	%	No. of Shares	%
i) India Credit Pte Limited ('ICPL')	53,43,81,215	100%	53,43,81,215	100%

There was no % change in promoters' holding in last 2 years.

Altico Capital India Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
12. Other Equity		
a) Securities premium	1,59,440.02	1,59,440.02
b) Special Reserve under section 45 IC of RBI Act, 1934	-	21,850.99
c) Capital Redemption reserve	510.79	510.79
d) Share options outstanding account	2,054.17	2,054.17
e) Retained earnings	(2,04,772.88)	(2,27,855.81)
Total	(42,767.90)	(43,999.84)

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 was created as per the requirement of RBI at the rate of 20% of the profit after tax for the year when the Company was registered as NBFC. Up on surrender of NBFC license, the Company is not longer required to maintain these reserve and accordingly in the current year the same transferred to Retained earnings (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 44 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

Particulars	As at March 31, 2022	As at March 31, 2021
a) Securities premium		
Opening balance	1,59,440.02	1,59,440.02
Add/(Less): Changes due to prior period errors	-	-
Restated opening balance	1,59,440.02	1,59,440.02
Add : Premium Received on issue of equity shares	-	-
Closing Balance	(a) 1,59,440.02	1,59,440.02
b) Statutory reserve		
Opening balance	21,850.99	21,850.99
Add/(Less): Changes due to prior period errors	-	-
Restated opening balance	21,850.99	21,850.99
Add / (less) : Transfer from / (to) retained earnings	(21,850.99)	-
Closing Balance	(b) -	21,850.99
c) Capital Redemption reserve		
Opening balance	510.79	510.79
Add/(Less): Changes due to prior period errors	-	-
Restated opening balance	510.79	510.79
Add : Addition during the year	-	-
Closing Balance	(c) 510.79	510.79
d) Employee stock options		
Opening balance	2,054.17	2,276.42
Add/(Less): Changes due to prior period errors	-	-
Restated opening balance	2,054.17	2,276.42
Less : Transfer to Retained earnings	-	(222.25)
Closing Balance	(d) 2,054.17	2,054.17
e) Retained Earnings		
Opening balance	(2,27,855.81)	(1,56,520.79)
Add/(Less): Changes due to prior period errors	-	-
Restated opening balance	(2,27,855.81)	(1,56,520.79)
Add: Profit for the year	1,245.34	(71,568.45)
Add: Other comprehensive income	(13.40)	11.18
Amount available for appropriation	(2,26,623.87)	(2,28,078.06)
Appropriations:		
Add : Transfer from statutory reserve upon cancellation of NBFC license	21,850.99	-
Add: Transfer from share based payment reserve	-	222.25
Closing Balance	(e) (2,04,772.88)	(2,27,855.81)
(a+b+c+d+e)	(42,767.90)	(43,999.84)

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
13 Non current - Provisions		
Provision for employee benefits		
i) Provision for compensated absences	88.99	118.37
ii) Provision for gratuity	100.59	149.51
Total	189.58	267.88
14 Financial Liabilities		
Secured Non Convertible Debentures (Listed) @	-	11,084.79
Unsecured Non Convertible Debentures (Unlisted)	-	87.30
Term Loans from Banks - Secured #	-	9,405.88
Term Loans from Others - Secured #	-	4,459.40
External Commercial Borrowing from Banks - Secured #	-	3,439.80
Loans repayable on demand from Banks - WCDL - Secured #	-	589.15
Bank Overdraft - Secured #	-	449.83
Total	-	29,516.15
Note : Refer note - 45 for settlement with lenders		
Terms of repayment, rate of interest and nature of security :		
<u>Terms of repayment & rate of interest</u>		
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 were paid as per the terms of the settlement agreement.		
No interest was payable and amounts outstanding as at March 31, 2021 will be paid as per the terms of the settlement agreement.		
<u>Security</u>		
@ - Secured by a first pari passu charge on all the present and future receivables of the Company.		
# - 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		
15 Trade payables		
a) Micro and small enterprises (Refer note below)	-	-
b) Due to Others	18.15	1,696.07
Total	18.15	1,696.07
Note:		
The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.		
Refer Note no. 42 for ageing of trade payables		
16 Other financial liabilities		
a) Payable to employees	168.65	-
b) Others	12.94	4.63
	-	-
	-	-
Total	181.59	4.63
17 Current Provisions		
Provision for employee benefits		
a) Provision for gratuity	29.50	81.35
b) Provision for compensated absences	33.92	80.97
c) Others - Bonus	6.21	1,333.31
Total	69.63	1,495.63
18 Other current liabilities		
a) Statutory dues	56.81	83.02
Total	56.81	83.02

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
19 Interest income		
a) On financial assets measured at amortised cost		
Interest income on loans	-	78,094.47
Total	-	78,094.47
20 Other Income		
a) Write back of borrowings (including interest accrued) (Refer note No. 46)	-	1,77,237.32
b) Write back of provision no longer required on assets	2,303.18	-
c) Interest on income tax refund	-	238.10
d) Interest Income on Fixed deposits	57.79	360.13
e) Miscellaneous income	3.45	-
	2,364.42	1,77,835.55
21 Employee benefits expense		
a) Salaries, bonus and allowances	1,638.98	1,713.55
b) Contribution to provident fund and other funds	82.59	106.61
c) Gratuity expense	22.77	16.44
d) Compensated absences	46.46	67.56
e) Staff welfare	220.03	296.25
	2,010.83	2,200.41
22 Finance cost		
On Financial liabilities measured at amortised cost		
i) Interest on borrowings from Banks & others	-	26,156.61
ii) Interest on Non convertible securities	-	16,254.65
iv) Bank charges	2.61	5.65
iii) Others	9.85	82.30
	12.46	42,499.21
23 Impairment on financial instruments, other assets and provisions		
Impairment loss allowance (Refer Note - 34.C.2.C)		
a) On Financial assets measured at amortised cost		
i) Loans	-	-
ii) Other receivables	-	376.55
b) Write off of loans	-	3,801.17
c) Provision / (provision write back) for other assets	-	9,054.89
	-	13,232.61

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

24 Other expenses

a) Auditor's fees and expenses (Refer note below)	5.40	35.90
b) Communication cost /IT expenses	10.56	44.86
c) Fees and subscription	24.92	51.05
d) Legal and professional fees	26.55	2,229.62
e) Loss on scrapped fixed assets / on sale of fixed assets	203.80	-
f) Rates, duties and taxes	49.80	366.80
g) Rent	190.55	236.81
h) Repairs and maintenance	73.03	139.82
i) Travelling and conveyance	10.29	7.19
j) Miscellaneous expenses	2.11	137.67
	597.01	3,249.72

24.1 Auditors' remuneration

Auditors' remuneration includes

a) Statutory Audit	5.00	22.50
b) Limited review	-	7.00
c) Tax audit	-	4.00
d) Other Services	0.40	2.40
	5.40	35.90

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

25 Earning per Share

Particulars	For the year ended March 31,	
	2022	2021
a) Profit after tax attributable to equity shareholders	1,245.34	(71,568.45)
b) Weighted average number of equity shares outstanding during the year	53,43,81,215	53,43,81,215
c) Nominal value of equity shares (Rs.)	10	10
d) Basic and diluted earnings per share (EPS) (Rs.)	0.23	(13.39)

Note :There is no dilution to basic EPS as there are no outstanding dilutive potential equity shares.

26 Commitments and contingencies

Particulars	As at March 31,	
	2022	2021
a) Contingent liabilities	-	-
b) Capital commitments	-	-

27 Dues to Micro, Small Enterprises

Disclosure pertaining to Micro and Small Enterprises as at 31 March, 2021 is as under.

The details of amounts outstanding to Micro and Small enterprises based on information available with the Company is as under:

	As at March 31,	
	2022	2021
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	-	-

28 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.

29 Corporate Social Responsibility (CSR)

The Company is not required to spend any amount during the year and also in the preceding year on activities related to corporate social responsibilities as required under section 135 of the Companies Act 2013 .The Company was required to spend Rs 847 lacs in the year ended march 2020 out of which Rs 24 lacs was spent in the previous year on varous activities other than on going nature activities. The company is taking opinion on applicability of the amendments to CSR Rules 2021 on the treatment of unspent amount relating to period prior to amendments .

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Amount required to be spent during the year	-	-
ii) Amount spent during the year	-	-
a) Amount Spent on CSR Project /Programme	-	-
b) Amount transferred to unspent CSR Account for ongoing projects of respective financial years	-	-
iii) Amount offset against CSR Liability	-	-
iv) Amount of shortfall at the end of the year, out of the amount required to be spent during the year	-	-
v) Amount spent from unspent CSR A/c 2020 during the financial year	-	-
vi) Total of previous year shortfall	-	-
vii) Nature of CSR activities	-	-
vii) Details of related party transactions	-	-

30 The Company is primarily engaged in the business of advisory services and accordingly there are no separate reportable segments as per IND AS 108 dealing with Operating Segment. The Company does not have any operations outside India and hence there are no reportable geographical segments.

Name of the customers contributing more than 10% of total revenue during the year are as under:

Name of the Party	Amount (INR in lacs)
Assets Care & Reconstruction Enterprise Ltd.	317.26
Real Estates Receivables Trust On behalf of Catalyst Trusteeship Ltd.	1269.02

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

31. Related Party Disclosure**31.1 List of Related Parties and their relationship:**

i) Holding Company	India Credit Pte Limited (ICPL)
ii) Key Management Personnel	Dhruv Jain- Chief Financial Officer (Till December 13, 2021)
iii) Associate	Fiera Capital Investment Advisors India Private Limited (erstwhile Clearwater Investment Advisors India Private Limited)
iv) Entity within common control	ACRE - 81 Trust Alchemist -XXXXIX Trust

31.2 Transactions with Related parties during the year**A. Remuneration to Key Management Personnel:**

For the year ended March 31, 2022

Particulars	Employee benefits	Post-employment benefits	Share based payments	Total
Dhruv Jain - Chief Financial Officer	189.31	40.46	-	229.77
Total	189.31	40.46	-	229.77

For the year ended March 31, 2021

Particulars	Employee benefits	Post-employment benefits	Share based payments	Total
Dhruv Jain - Chief Financial Officer	136.00	11.00	-	147.00
Total	136.00	11.00	-	147.00

31.3 Balances as at year end with related parties:

No.	Particulars	Name of Party	As at March 31,		
			2022	2021	
Receivable		ACRE - 81 Trust	#	295.80	295.80
		Alchemist -XXXXIX Trust	#	390.54	390.54
		# - These amounts are credit impaired i.e. fully provided net value being nil.			
Investment in Security receipts *		ACRE - 81 Trust		1,665.00	1,665.00
		Alchemist -XXXXIX Trust		1,530.00	1,530.00
		* Security receipts is measured at FVTPL and it's fair value is Rs. 0.			

32. 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, 2022	As at March 31, 2021
Gross Debt	-	29,516.15
Less: Cash and cash equivalents	(1,645.10)	(34,323.80)
Net debt	(1,645.10)	(4,807.65)
Total Equity	10,670.22	9,438.28
Net debt to equity ratio	(0.15)	(0.51)

Altico Capital India Limited

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

(Currency : Indian Rupees)

33. 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:

	For the year ended March 31,	
	2022	2021
Provident fund	82.59	106.61

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

	For the year ended March 31,	
	2022	2021
Present Value of Benefit Obligation at the Beginning of the year	230.86	236.32
Current Service Cost	22.77	31.96
Interest Expense/(Income)	9.85	12.36
Benefit Paid Directly by the Employer	(42.58)	(38.60)
Settlement Cost (Credit)/Cost	1.01	-
Total Amount Recognised in Profit and Loss	(8.95)	5.72
Actuarial (Gain)/loss from change in demographic assumptions	6.06	(2.86)
Actuarial (Gain)/loss from change in financial assumptions	(5.82)	(6.36)
Experience (gains)/losses	13.16	(1.96)
Total Amount Recognised in Other Comprehensive Income	13.40	(11.18)
Present Value of Benefit Obligation at the End of the year	235.31	230.86

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:

	As at March 31,	
	2022	2021
Present value of defined benefit obligation *	235.31	230.86
Fair value of plan assets	-	-
Net liability	235.31	230.86

*Includes liability due but not paid as on 31st March 2022 classified separately

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

		For the year ended March 31,	
		2022	2021
Service Cost			
Current service cost		22.77	31.96
Past service cost		-	-
Total Service cost	(i)	22.77	31.96
Net interest cost			
Interest expense on DBO		9.85	12.36
Interest expense / (income) on plan assets		-	-
Total Interest cost	(ii)	9.85	12.36
Defined benefit cost included in Statement of Profit and Loss	(iii) - (i + ii)	32.62	44.32
Total remeasurement in other comprehensive income (OCI)	(iv)	13.40	(11.18)
Total Defined benefit cost included in Statement of Profit and loss and OCI	(v) = (iii + iv)	46.02	33.14

Altico Capital India Limited

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

(Currency : Indian Rupees)

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.

	As at March 31, 2022	As at March 31, 2021
Discount rate	5.66%	4.25%
Rate of Salary Increase for next 1 year	7.50%	0.00%
Rate of Salary Increase after 1 year	7.50%	7.50%
Rate of employee turnover	25.00%	35.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

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

	As at March 31,	
	2022	2021
a) Insurer managed funds	-	-
b) Cash	-	-

f) Impact on defined benefit obligation - Sensitivity Analysis

	For the year ended March 31,	
	2022	2021
Delta Effect of +1% Change in Rate of Discounting	(3.77)	(4.16)
Delta Effect of -1% Change in Rate of Discounting	4.06	4.40
Delta Effect of +1% Change in Rate of Salary Increase	3.95	4.25
Delta Effect of -1% Change in Rate of Salary Increase	(3.73)	(2.70)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.46)	(0.48)
Delta Effect of -1% Change in Rate of Employee Turnover	0.49	0.51

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:

Particulars	As at March 31,	
	2022	2021
i) 1st Following Year	134.72	83.79
ii) 2nd Following Year	24.98	46.48
iii) 3rd Following Year	20.65	34.87
iv) 4th Following Year	16.60	26.15
v) 5th Following Year	13.34	19.60
vi) Sum of Years 6 to 10	37.87	45.25
vii) Sum of Years 11 and above	15.19	12.65

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

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. 46.46 Lakhs (previous year Rs. 67.56 Lakhs) for compensated absences in the statement of Profit and loss.

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

34 Disclosures on Financial Instruments**34.A Carrying value and fair value of financial instruments**

34.A.1 The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows.

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	At Cost	Total carrying Value	Total Fair value
Financial Assets						
1 Trade receivables	0.46	-	-	-	0.46	0.46
2 Cash and cash equivalents	1,645.10	-	-	-	1,645.10	1,645.10
3 Other financial assets - current	358.36	-	-	-	358.36	358.36
Total	2,003.92	-	-	-	2,003.92	2,003.92
Financial Liabilities						
1 Short term borrowings	-	-	-	-	-	-
2 Trade payables - current	18.15	-	-	-	18.15	18.15
3 Other financial liabilities - Current	181.59	-	-	-	181.59	181.59
Total	199.74	-	-	-	199.74	199.74

34.A.2 The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows.

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	At Cost	Total carrying Value	Total Fair value
Financial Assets						
1 Trade receivables	1.77	-	-	-	1.77	1.77
2 Cash and cash equivalents	34,323.80	-	-	-	34,323.80	34,323.80
3 Other financial assets - current	218.14	-	-	-	218.14	218.14
Total	34,543.71	-	-	-	34,543.71	34,543.71
Financial Liabilities						
Short term borrowings	29,516.15	-	-	-	29,516.15	29,516.15
1 Trade payables - current	1,696.07	-	-	-	1,696.07	1,696.07
2 Other financial liabilities - Current	4.63	-	-	-	4.63	4.63
Total	31,216.85	-	-	-	31,216.85	31,216.85

34.B Fair value hierarchy of financial instruments

Since financial assets and financial liabilities of the Company are not measured at fair value as on March 31, 2022 and March 31, 2021 disclosure of fair value hierarchy i.e. Level-1, Level-2 and Level-3 for each financial instrument category is not applicable.

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

34 Disclosures on Financial Instruments (Continued)

34.C Financial Risk Management

34.C.1 Market Risk:

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

34.C.1.1 Foreign currency exchange rate risk:

- (a) The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

The risks primarily relate to fluctuations in U.S. dollar, Euro, and GBP against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 1%.

- (b) The Company does not have any foreign currency exposure as at March 31, 2022 and March 31, 2021.

34.C.1.2 Interest rate risk:

- (a) Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows, income as well as costs.

The Company does not have any borrowings exposure as at March 31, 2022.

- (b) **As at March 31, 2022 and As at March 31, 2021**

The Company does not have any financial assets or liabilities which can be categorised into interest rate profile.

- (c) **Interest Rate Sensitivity**

The Company is not exposed to interest rate risk as at March 31, 2022.

34.C.1.3 Equity price risk :

- (a) Equity Price Risk is related to the change in market reference price of the investments in equity securities.
The Company has not made investments in quoted securities, so the Company is not exposed to equity price risk.

34.C.2 Credit Risk :

- (a) Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of exposure to credit risks.

- (b) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 1,944.22 lakhs as at March 31, 2022, Rs. 34,543.73 lakhs as at March 31, 2021, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, and other financial assets excluding equity investments.

- (c) **Financial assets that are either past due or impaired**

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, other loans or receivables and other financial assets that are neither impaired nor past due, there were no indications as at March 31, 2022, that defaults in payment obligations will occur.

- (d) **Credit quality of financial assets and impairment loss**

The ageing of trade receivables and provision allowance as of balance sheet date is given below.

Trade Receivables

Period (in Days)	As at March 31, 2022	As at March 31, 2021
0-60 Days Overdue	0.46	1.77
61-120 Days Overdue	-	-
121-180 Days Overdue	-	-
181-365 Days Overdue	-	-
Over 365 days Overdue	686.34	686.34
Total Gross Debtors	686.80	688.11
Less: Expected credit loss provision	(686.34)	(686.34)
Net Debtors	0.46	1.77

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2022	2021
Opening Balance	686.34	309.79
Changes in loss allowance (Provision for doubtful debts):		
Loss allowance based on ECL	-	376.55
Closing balance	686.34	686.34

34.C.3 Liquidity Risk :

- (a) Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

- (b) The details of contractual maturities of significant financial liabilities are as follows.

As at March 31, 2022

Particulars	Less than 1 Year	1 to 5 years	More than 5 Years	Total
Trade payables	18.15	-	-	18.15
Other financial liabilities	181.59	-	-	181.59
Total	199.74	-	-	199.74

As at March 31, 2021

Particulars	Less than 1 Year	1 to 5 years	More than 5 Years	Total
Borrowings and interest thereon	29,516.15	-	-	29,516.15
Trade payables	1,696.07	-	-	1,696.07
Other financial liabilities	4.63	-	-	4.63
Total	31,216.85	-	-	31,216.85

34.C.4 Derivative financial instruments and risk management :

- (a) The Company does not have any outstanding / open foreign exchange forward contract as at March 31, 2022 and as at March 31, 2021.

35 Disclosure pursuant to Ind AS 1 "Presentation of financial statements"

- (a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Within	After	Within	After
	12 months	12 months	12 months	12 months
Trade receivables	0.46	-	1.77	-
Other financial assets	358.36	-	218.14	-
Other current assets	411.76	-	568.83	-
Total	770.58	-	788.74	-

- (b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Within	After	Within	After
	12 months	12 months	12 months	12 months
Borrowings	-	-	29,516.15	-
Trade payables	18.15	-	1,696.07	-
Other liabilities	56.81	-	83.02	-
Provisions	69.63	189.58	1,495.63	267.88
Total	326.18	189.58	32,795.50	267.88

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

36 Disclosure pursuant to Ind AS 115 “Revenue from Contracts with Customers”**36.A** The Company is engaged in the business of business of service related to monitoring of loans sold.**Income from service :**

Revenues from services are recognised when the services are performed/completed in accordance with the terms of the contract.

36.B The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

	2022	2021
a) Revenue from contracts with customers	1,586.29	-
Total Revenue	1,586.29	-

36.C Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, type of revenue contract and timing of revenue recognition:

	2022	2021
Primary Geographical Market		
i) Within India	1,586.29	-
ii) Outside India	-	-
Total	1,586.29	-
Timing of revenue recognition		
i) At a point in time	-	-
ii) Over a period of time	1,586.29	-
Total	1,586.29	-

36.D Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	Asset / Liability	As at March 31,	
		2022	2021
i) Trade Receivables	Contract Assets	0.46	1.77
	(A)	0.46	1.77
iii) Current liabilities	Contract Liabilities	-	-
	(B)	-	-
	Total Net (A - B)	0.46	1.77

Altico Capital India Limited**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakh)

37 Disclosure pursuant to Ind AS 12 “Income Taxes”

(a) Major components of tax expense/(income):

Particulars	For the year ended March 31,	
	2022	2021
I. Statement of Profit or Loss :		
(i) Current income tax:		
Current income tax expense	-	-
Tax expense in respect of earlier years	-	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	-	-
Income tax expense reported in Profit or Loss (i + ii)	-	-
II. Other Comprehensive Income (OCI) :		
Income tax relating to items that will not be reclassified to profit or loss	-	-
Income tax expense reported in the OCI	-	-

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) **Reconciliation of tax expense and the accounting profit**

A reconciliation of income tax provision to the amount computed by applying statutory income tax rate to the income before taxes is

Particulars	For the year ended March 31,	
	2022	2021
(a) Loss before tax	1,245.34	(71,568.45)
(b) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c) Tax on Accounting profit (c) = (a) * (b)	313.43	(18,012.35)
(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:		
Allowances		
Tax on temporary differences on which deferred tax is either not created or reversed due to no reasonable certainty of future profits	(313.43)	18,012.35
Total effect of tax adjustments [(i) to (v)]	(313.43)	18,012.35
(e) Income tax expense reported in Profit and Loss	-	-
(f) Income tax expense reported in the OCI section	-	-
(g) Total Income tax expense (e+f)	-	-
(h) Effective tax rate (h)=(g)/(a)	-	-

(b) No provision for tax has been created for current year and previous year, as company have carried forward business losses of earlier year.

38 Movement in Deferred Taxes**Movement in deferred tax balances for the year ended March 31, 2022**

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.

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 year 2021.

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

39 Relationship with struck off companies

The Company has no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

40 Ratios

	As at March 31, 2022	As at March 31, 2021
a) Current Ratio	7.41	1.07
b) Debt-Equity Ratio	#	#
c) Debt Service Coverage Ratio	#	#
d) Return on Equity ratio	12.25%	-143.30%
e) Inventory turnover ratio	*	*
f) Trade Receivable turnover ratio	*	*
g) Trade Payables turnover ratio	*	*
h) Net Capital turnover ratio	*	*
i) Net Profit ratio	31.52%	-26.74%
j) Return on capital employed	12.25%	-27.27%
k) Return on Investment	@	@

Notes

i) # - The Company is debt free organisation, hence these ratios are not applicable

ii) * - The Company is service provider hence these ratios are not applicable.

iii) @ - The Company's investments are fully credit impaired and carried at zero, hence this ratio can not be computed.

iv) Reason for high variance between two years

- Current Ratio - Current ratio is improved mainly due to repayment of borrowings during the current year as per the settlement terms with lenders.
- Return on equity ratio - In previous year ratio was negative mainly because there was loss on account of implementation of resolution plan as per the settlement agreement with lenders whereas in the current year the Company has made profit due to reversal of excess provision no longer required which has resulted in higher return on equity.
- Net profit ratio - In previous year there was loss due to implementation of resolution plan as per the settlement agreement with lenders whereas in the current year the Company has made profit due to reversal of excess provision no longer required.
- Return on capital employed - Main attribute for previous year ratio being negative mainly was loss on account of implementation of resolution plan as per the settlement agreement with lenders whereas in the current year the Company has made profit due to reversal of excess provision no longer required which has resulted in higher return on capital employed.

41 Ageing of trade receivables

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
i) Undisputed Trade receivables - considered good	0.46	-	-	-	-	0.46
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	686.34	-	686.34
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

Ageing of trade receivables

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1 - 2 year	2 - 3 year	More than 3 years	
i) Undisputed Trade receivables - considered good	1.77	-	-	-	-	1.77
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	686.34	-	-	686.34
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

42 Ageing of trade payable

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than one year	1-2 years	2 - 3 year	More than 3 years	
a) Micro and small enterprises	-	-	-	-	-	-
b) Due to Others	-	18.15	-	-	-	18.15
Total	-	18.15	-	-	-	18.15

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than one year	1-2 years	2 - 3 year	More than 3 years	
a) Micro and small enterprises	-	-	-	-	-	-
b) Due to Others	-	1,696.07	-	-	-	1,696.07
Total	-	1,696.07	-	-	-	1,696.07

43 Other non current non financial liabilities

Based on the settlement agreement entered dated March 02, 2021, full and final settlement of dues of lenders have been made during the year. Based on this settlement, after setting aside amount aggregating to Rs 855.35 lacs to meet certain anticipated liability in future, the remaining amount has been paid to the lenders. This has been disclosed as non-current non-financial liability which will be settled/adjusted once the same arises.

	As at March 31, 2022	As at March 31, 2021
a) Other non current non financial liabilities	855.35	-
Total	855.35	-

Altico Capital India Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakh)

44 ESOP Scheme

The Company has in existence an approved Equity settled Stock based Incentive plan (Scheme 2015) for issue of stock options to the eligible employees. Post settlement of dues with the lenders, the management is reviewing the existing plan for its continuity or otherwise. In view of this, the Company has not amortised any ESOP related expenses in the current year and it was amortised only till date of default i.e. September 12, 2019. And accordingly the details of the scheme / plans i.e. start date, expiry date, no. of options outstanding etc. have not been disclosed.

45 Standards Issued but not Effective

Disclosure pursuant to Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” on new Ind AS that has been issued but is not effective as of the closing day of the reporting period :

There is no new standard or amendment to the existing standards which are applicable from April 1, 2022 which could have material impact on financial statements.

46 As at March 31, 2021 : Settlement agreement with lenders

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 was distributed to the Lenders on March 12, 2021 (“First Tranche”). The second tranche of the Settlement Consideration was distributed in accordance with the terms of the Settlement Agreement in March 2022.

47 Since the Company was NBFC in previous year, the Financial Statements as at and for the year ended March 31, 2021 were prepared and presented in the format prescribed in the Division III - Schedule III to the Companies Act, 2013. However, since the Company has ceased to be a NBFC in the current financial year, financial statements for the current financial year have been prepared and presented in the Division II - Schedule III to the Companies Act, 2013.

And as a result of the same amounts and disclosures have been re-grouped / reclassified in the current year to meet the requirements of the Division - II - Schedule III to the Companies Act, 2013. And also certain disclosures of Ind AS 109 and RBI regulatory disclosures which were primarily applicable pursuant to NBFC business have not been presented in the financial statement for the current year.

For and on behalf of the Board of Directors

Ameeta Trehan
Non Executive Director
DIN - 07087510

Neeraj Kumar
Non Executive Director
DIN - 08332581

Atit Kumar Soni
Non Executive Director
DIN - 02788461

Place: Mumbai
Date: August 29, 2022