



Altum[®]
Credo
Home Finance

Simple, Convenient and Relevant

Financial Statement & Highlights - FY 2019-20



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Corporate Information

Board of Directors

Ms. Matangi Gowrishankar

Ms. Sushma Kaushik

Mr. Vikrant Bhagwat

Mr. Ganesh Rao

Mr. Ashish Tewari

Registered Office

Office# 801, Deron Heights, Main Baner Road, Pune, Maharashtra – 411 045

Key Managerial Personnel

- Chief Executive Officer & MD Mr. Vikrant Bhagwat
 - Chief Financial Officer Mr. Sanjay Tiwari
 - Company Secretary Ms. Avanti Gulavani
-

Statutory Auditors

BSR & Co. LLP, Chartered Accountants

Our Bankers / Financial Institution

AU Small Finance Bank Limited

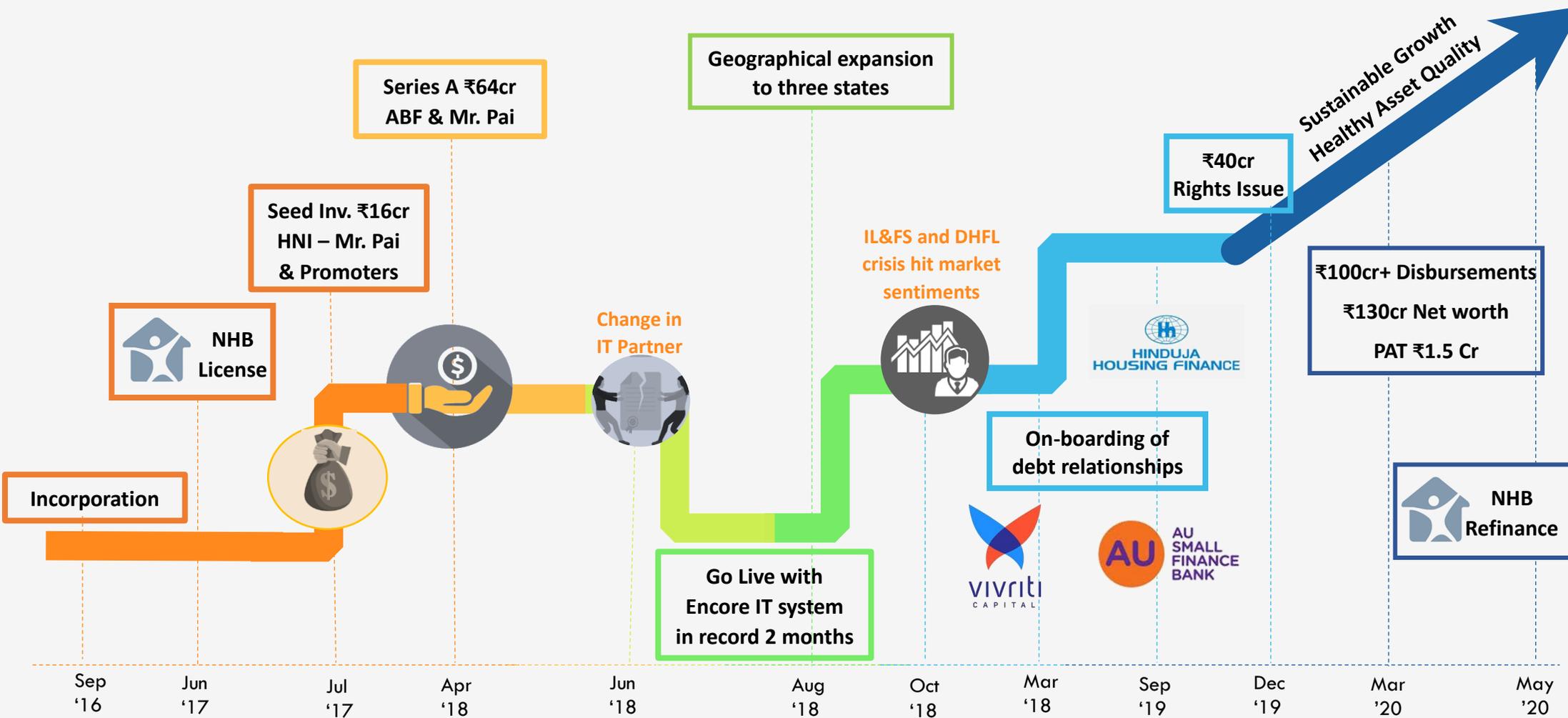
Hinduja Housing Limited

Vivriti Capital Private Limited

HDFC Bank Limited

Ratnakar Bank Limited

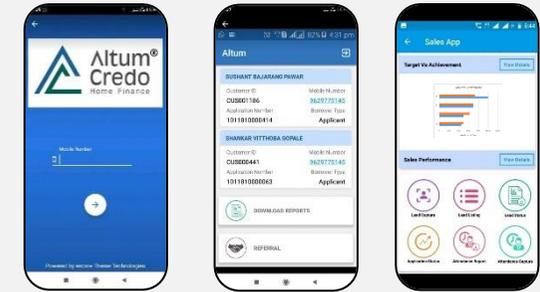
Our Journey so far....!



Cloud-based Integrated Technology

“Apna Ghar” Customer App
Customer Self-Service,

Lead capture, Credit PD
& Collection App



Functionality Rich **Workflow-based**
core business platform

Loan IT Platform

Loan Origination System



Credit Policy Integrated
Deviation Matrix

Customer Service



Service Request Module
Regional Language SMS
Centralize Call center support

Accounting & MIS



Rule based postings
Cohesive MIS
Regulatory Reporting

Lending Suite

Integrated lending suite comprising
LMS & GL Module on SaaS

Mobility

App based integrated platform for **Customer on-boarding, Credit PD & Collection functions**

Cloud Technologies

In-house cloud developed on the
back of **Microsoft Azure**

Payment Gateway Integration
Razorpay, BhartBillPay – Setu
(Support PhonePe, UPI,
GooglePay among others)

HR MS & Training

A SaaS HR management system for
complete **employee life-cycle management**

App based platform **for employee training** along with course creation,
tracking and certification



Our Board



Ms. Matangi Gowrishankar

Independent Director

Ms. Matangi Gowrishankar is an Independent Director. She has over 30 years' experience in Business and Human Resource with diverse global companies such as British Petroleum, Castrol and Standard Chartered Bank. She is a strategic advisor to Altum Credo and involved in working with Senior Leadership team, building a culture of diversity and inclusion.



Ms. Sushma Kaushik

Non-Executive Nominee Director

Ms. Sushma Kaushik is a Nominee Director for Aavishkaar Bharat Fund- our PE Investor. She brings with her over 18 years of diverse experience in the field of early stage investing, small business incubation and consulting across sectors. She is an alumnus of Harvard Business School and Indian School of Business and an engineering graduate.



Mr. Vikrant Bhagwat

Managing Director and Chief Executive Officer

Mr. Vikrant Bhagwat is the MD & CEO of Altum Credo. He is one of the founders of the company and has more than 25+ years of experience in financial services specialising in retail lending and instrumental in scaling businesses pan-India. In his earlier stint, he was the Business Head for Suryoday Small Finance Bank and has held leadership positions with DCB Bank, Chola Group and HDFC bank.



Mr. Ganesh Rao

Non-Executive Promoter Director

Mr. Ganesh Rao is a Non-Executive Promoter Director and one of the founders of the Company. He was also one of the co-founders of Suryoday Microfinance and was previously associated with DCB Bank, GE Capital and Chola Group. He has over 25+ years of experience in retail lending and financial services managing large teams.



Mr. Ashish Tewari

Non-Executive Promoter Director

Mr. Ashish Tewari is a Non-Executive Promoter Director and one of the founders of the Company. He was also one of the co-founders of Fusion Microfinance building a successful pan-India business. He has been previously associated with DCB Bank, GE Capital and ICICI Bank. He has over 25+ years of experience in financial services.

Message from MD



Dear Shareholders,

During FY20 we witnessed a challenging environment for NBFC/HFC sector as it was trying to overcome from FY19 liquidity crisis which started with IL&FS default followed by DHFL default, one of the largest housing finance co. The industry when it was just trying to recoup; the risk of fall of one of the largest private sector banks further aggravated the problem and led to persistent negative sentiment in FY20 leading to year of moderate growth for financial service industry. Last quarter of fiscal year is considered as strongest quarter; however due to outburst of Covid-19, India also had to implemented a nationwide lockdown. This has resulted into, suspension of business sourced in Feb and Mar'20. With lockdown continued in most of Q1 FY21, collections moderated with a complete halt to business in Q1 FY21 with an unprecedented uncertain environment.

COVID -19 event being unprecedented required drastic measures globally and in India. The RBI Moratorium is intended to provide temporary support and ease out the stress in cash flows of Altum Credo's customer segment predominantly belong to low income segment with mix of salaried and self employed by occupation where the stress is expected to be severe. As a result, we expect the sectoral credit cost and delinquencies to increase over the next few quarters and the same could increase further if the impact of COVID-19 on business activities persists for a longer-than-expected period. Considering the expected impact on the income levels of our borrowers during the lockdown period, the revival trajectory and income stabilisation would be fairly long-drawn.

During the year, we continued to focus on our business model of strong foundation built-up which is efficient and scalable. In back drop of persistent challenging

environment, we adopted cautious posture towards our business build-up in FY20 and remained prudent. Key focus of strategy during the year was to have adequate capitalisation to support business build-up. Equity infusion of ₹40cr by existing investor in Q3 FY20, took the total net worth to ₹130 crores. Cautious loan built up during FY20 took total Gross Loan Disbursement to ₹101cr in FY 20 vs ₹50cr for FY19 with Nil NPAs at end of FY20. We end the year with a total customer base of 1500+ with 100% HL retail book and Nil exposure to whole sale funding.

In line with our strategy of building tech assisted digital service delivery model; during the year, we enhanced our integrated technology platform to make it more scalable and smart with features of on-boarding of customers via mobile app, collection module, risk-based pricing, Smart PD, Customer Service Request Module, Centralized Customer Care and Customer App ensuring improved customer service delivery mainly driven on digital platform and integration with various leading digital payment platform.

The separate vertical of Collections since inception has helped to establish a robust collection process and regular customer connect. We end the year with Nil NPAs with 98% of the customers having on-time repayment track record. The cost optimisation and rationalisation measures introduced during the year boosted the profitability and we end the year with a PAT of ₹1.5cr vs a loss of ₹1.0cr in the previous year.

The Company is well poised for sustainable measured growth journey. Healthy liquidity position on account of adequate capitalisation and almost nil leverage shall support the business growth as we begin to come out of lockdown and expand business capacity in the Southern region of Karnataka and Tamil Nadu to further diversify the geographical presence.

Management Discussion & Analysis

Indian Economy Overview

FY 2019-20 witnessed volatile macro sentiments at domestic as well as global level and ended with the global pandemic of COVID-19 virus. Complete nationwide lock down since March 20 as a mitigation strategy to this unexpected event has had adverse impact on Q4 end business operations. Global and national lockdown of more than 2 months had an unprecedented impact on overall economy pushing it to the verge of recession. Degrowth is forecasted for emerging economy like India for FY21. At the Indian macro-economic level, in addition to COVID-19 impact in last quarter of FY20 there are other factors during the year which continued to pose challenge to the economy. Weak sentiment in economy, especially in the financial market persisted throughout FY20 mainly contributed by spill-over effects of IL&FS crisis, followed by liquidity crisis at DHFL large Housing finance company, sluggish automobile sales impacted ancillary SME business, and more recently, risk of business viability of one of the prominent largest private sector banks.

The Indian economy has been experiencing significant slowdown over the past few quarters. In the third quarter of the current fiscal, the economy grew at a six-year low rate of 4.7%. There was a strong hope of recovery in FY21. However, the impact of COVID-19 pandemic has made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy causing severe disruptive impact on both demand and supply side elements which has the potential to make a structural dent to India's growth story in medium term. However, the government and central bank were prompt enough to stabilize the panic in the economy and markets with rescue plans. RBI, initially announced a 3-month moratorium on payments of instalments for term loans, deferring the interest payments of working capital facilities and increasing such facilities through cash credit/overdraft etc. to ease the burden of debt servicing which was extended by another 3 months. While the Government of India has come out with a host of economic relief packages to get the economy back on track with major focus on providing support to weaker sections of society and SME sectors whose survival is expected to be impacted due to the lock down measure and which contributes greatly to India's GDP growth and is largest source of employment.

The outlook is now heavily contingent upon the intensity, spread and duration of the pandemic. The current scenario and continued lockdowns are expected to have huge adverse impact on recovery from this pandemic and slowdown is expected in next 2 to 3 qtrs. FY21 may turn out to be wash-out year for many industries and economies; however, India is well placed demographically with various favourable economic fundamentals. In the coming years India is poised to gradually become the world's youngest workforce after overtaking China. This combined with an increase in productivity will hugely benefit the economy. Structurally, India's medium to long-term future outlook remains optimistic.

Housing Finance Industry Overview

The COVID-19 induced slowdown is likely to further impact the performance of housing finance companies (HFCs), which were facing slower growth, due to challenges in liability management in FY2020. As per ICRA's report, housing credit growth is expected in the range of 9%-12% in FY2021 (lower than the last three years' CAGR of 16%). The growth is expected to be slower in H1 FY2021 while recovery in H2 FY2021 would depend on the overall economic turnaround.

Demand in the affordable, low cost housing is expected to sustain post containment of COVID-19 with long-term growth potential intact. The government's focus on 'Housing for All by 2022' has been undeterred in the last five years. Also, the housing finance industry has been able to report a growth of 17% CAGR over the last five years. The affordable housing space has seen a special traction mainly on account of large unmet demand and absence of sizable service providers. Pradhan Mantri Awas Yojana Urban (PMAY) which was launched in 2015 targeted the creation of 50 million houses by 2022. Under the same, 'Credit Linked Subsidy Scheme' (CLSS) for economically weaker sections and lower income groups, opened the doors for customers who were abstaining from owning a house. The key drivers for strong growth in mortgage finance include, increasing affordability, decrease in average age of the home owners and increasing urbanisation.

Asset Quality of HFCs, by and large, have been stable with gross NPAs at 1.0% as on date, despite industry level structural impact on account of Demonetisation, RERA and GST roll out. However on account of COVID-19 pandemic, ICRA in its report on 'Retail NBFC Credit

Trends April 2020', expects the sectoral credit cost and delinquencies to increase by about 50-100% over the next few quarters and the same could increase further during FY 21 if the impact of COVID-19 on business activities persists for a longer-than-expected period.

Altum Credo: Overview

Altum Credo, right from the start of its business from Jun 2017, has kept focus on providing home loans to underserved and underserved customers who predominantly belongs to Low Income Group (LIG) and Economically Weaker Section (EWS) income segment and are First time Home buyers. Geographical focus being Tier II and Tier III cities with vibrant economic activity. More than 90% of customers belong to EWS and LIG income segment. Altum Credo's customer base consists of healthy mix of salaried customers, both formal and informal segment and self-employed proprietors of small and medium enterprises.

These customers aspire to own a home but most of these individuals have little to no access to credit from channels in spite of having stable source of earning with steady cash flows due to lack of adequate formal income documents, challenges faced with conventional income assessment methods, and low loan ticket size. Non-institutional (other than Banks and Large NBFCs) sources typically do not meet their funding requirements or provide for very short tenure making EMI unaffordable. Also, low loan ticket size is not efficient for large financial institutions and banks. The Company aims to bridge this gap by providing long term financial services (making EMI affordable) at the doorstep to these customers.

Most of Altum Credo's customers are constructing a house on their own land or buying their small first home. In 2019-20, the average ticket size of the home loan portfolio is at ₹7 lakhs with an average tenure of 15 years. With Loan to Value ratio at around 45%, the average value of the properties funded is around ₹15-₹18 lakhs.

Business Presence

Altum Credo operates in three states - Maharashtra, Karnataka and Tamil Nadu giving a geographical diversity in its customer base.

Portfolio performance

During the year 2019-20, the key focus of the strategy was to conserve capital in the back-drop of the financial market liquidity crises and be adequately capitalised to support business build-up. There was a cautious

approach in loan book built-up with total gross disbursements of ₹101cr as of FY20 vs ₹51cr as of FY19, while approx. ₹25cr of business remained under process due to COVID-19 lock-down in Q4 FY20. The loan book consists of 95% of home loans with 100% retail book.

Altum Credo closed the financial year 2019-20 with Nil NPAs. This would not have been possible if not for the robust systems and processes in originating loan proposals from customers and strong adherence to laid down policies in terms of credit, legal, technical and collections. In the backdrop of COVID-19 and expected adverse economic impact, the management has provided for Covid-19 Contingency provision, in addition, to the regulatory provisioning requirement.

Funding

In business model of any HFC there is an inherent ALM mismatch. To tackle this, since inception Altum Credo's mitigation strategy has been to lay a strong and sustainable capital foundation. The fundamental premise of business plan has been to build sizable loan assets predominantly funded by equity capital and ringfencing leverage below 3x during initial 5 years of business operation. During FY 2019-20, Altum Credo focused on creating a strong capital base to support the loan built-up. Equity infusion of ₹40 crores from existing investor took the net worth to ₹130 crores and with nominal leverage of 0.17 as at year end. Such adequate capitalisation has undoubtedly laid a strong foundation for future growth. Moreover, this has also provided robustness to the Company's static liquidity position to weather the current crises, keep the strong foundation intact and ready for growth with rise of green shoots post crises.

On the debt front, new relationships with bankers and lenders were built during the year. Altum Credo understands that it is in the business of long-term funding which are in the range of 10-15 years. With this in the back ground, borrowing policy has always been prudent to secure long term funding for minimum tenure of 4-5 years to mitigate the inherent asset liability mis match. And also a prudent fund management ringfencing available funds for the committed undisbursed portion before allocation to new business while maintaining sufficient margin of safety to mitigate any unforeseen financial stress. Facilities such as Cash Credit facility and OD facilities have ensured availability of short-term funding lines.

Regulatory Changes

Directions on Corporate Governance: To ensure best practices and greater transparency in the operation of HFCs, NHB had framed rules on Corporate Governance. Under these directions, various committees of the Board. - Audit Committee, Remuneration & Nomination Committee and Risk Management Committee - were constituted and the Asset Liability & Risk Management Policy was approved by the Board during the year. In addition, ALCO committee was constituted under these guidelines.

Guidelines on Information Technology Governance: Under these regulations, IT Framework policy was approved by the Board and covers IT Governance, IT Policy, Information & Cyber Security, Business Continuity Planning and Disaster Recovery.

Regulatory Authority on HFCs shifted to RBI: The Union Budget 2019-2020 announced the transfer of regulatory power on HFCs from NHB to the RBI. This is expected to result in more streamlined regulations and implementation as well as better risk management framework for HFCs. The RBI Act will be amended to give the Central Bank powers to regulate HFCs. This move is expected to ensure there is greater parity in regulations for NBFCs and HFCs.

Amendments to Capital Adequacy Requirements (CAR) and borrowing limits: NHB vide a communication dated March 04, 2019 has proposed amendments in regulations relating to CAR and borrowing limits. As per the proposal, the CAR of HFCs which was at 12% in FY19 has been raised to 13% in FY20. This is proposed to be raised progressively to 15% by March 31, 2022. Further the cap on borrowings which is at 16 times Net Owned Funds (NOF) is proposed to be brought down to 12 times NOF by March 31, 2022.

RBI's policy on EMI Moratorium: Taking due consideration of unprecedented challenge arising on account of country wide lock down, on March 27, 2020 the Reserve Bank of India (RBI) announced various measures including offering moratorium period on EMI payments for term loans for a period of 3 months from Mar-May '20. In compliance with the stated RBI notification, the Board had approved the Policy on EMI Moratorium / Deferment of Interest ("Moratorium 1.0") on April 02, 2020. With the abrupt nation-wide lock-down and immediate stress, the moratorium was extended to all the customers default as the default option and the 'Opt-out' of moratorium was on request basis. During the Moratorium 1.0 period, 48% of dues were received from the customers and rest had availed the moratorium facility.

However, with further extension of the nationwide lockdown until May 31, 2020 to help contain the spread of virus across country resulted in economic crises of unimaginable scale. RBI, in support of the various economic packages announced by the Government of India, had extended the moratorium by another 3 months from Jun – Aug '20 ("Moratorium 2.0"). Accordingly, the Board of Altum Credo approved the Moratorium 2.0 policy on May 28, 2020. With the lock-down restrictions being relaxed across the country, the policy required customers to avail / 'Opt-in' the moratorium on request basis.

Technology and Digitisation

Altum Credo, in line with goal of building technology assisted business delivery model; since its inception, has given a huge thrust to technology implementation to provide efficient service delivery model which improve the productivity of the organisation via efficient processes and also to provide enriched experience to the end-customer. Cloud-based technology have been adopted across functions. Integrated lifecycle of customer, workflow-based system - with Mobility, Loan Origination, Loan Management and Accounting & MIS Module has enhanced the service delivery across channels assisted by Mobile App and Centralized Call Centre.

During FY2019-20, the implemented tech platform has been made process further robust and scalable with additional of functionalities such as scoring model, risk weighted pricing, customer on-boarding only via Mobile App, Collection Module on Module App and Customer Service Request functionality.

Altum Credo has maximum thrust on digital payments. 95% of the collection is done via NPCI's NACH facility. In addition, Altum Credo has launched online payment system with payment gateways such as HDFC PayZapp, Razorpay & other online options provided to the customers are BHIM, UPI, GooglePay. The Collection and Sales App is being upgraded to integrate the online payment gateway system in the App itself.

Human Resource

At Altum Credo, lot of importance is placed on the human capital, be it recruitment of quality staff, induction, training and growth of employees. During the year under review, management team has been strengthened with senior leadership across functions in place. To contain the attrition level at field staff levels, a lot of importance is now being placed on; job training and induction being imparted to these staff to have a

better understanding of the company, its culture and business. The total number of employees increased from 151 in the previous year to 180 as on March 31, 2020.

Internal Controls Systems

Altum Credo has an internal control system, commensurate with the size, scale and complexity of its operations. The system of internal controls is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The integrated loan origination, loan management, accounting and reporting systems in the software that has been implemented has adequate checks and balance in place to ensure that the transactions are recorded, authorised and reported correctly.

Financial performance

This was first year when Altum Credo had achieved profitability post commencement of business. Key elements of Financial Results:

- Income for the year 2019-20 grew by 80% as compared to the previous year.
- From a net loss of ₹1.03cr in FY 2018-19, Altum Credo ended FY 2019-20 with a profit after tax of ₹1.5cr.
- Loan outstanding for the year ending 2019-20 grew by 111% compared to previous year.
- Debt to Equity ratio at 0.17.

Outlook of the Company

FY21 outlook remain muted amid COVID-19 pandemic outburst and uncertainty associated with time frame till it will last. Considering lockdown is only solution for time being to control spread, it has created huge impact on global economy and housing finance industry cannot remain immune from this. While supply side as well as demand side constrains will aggravate problem. With lockdown in India and halt in countrywide construction activity will create supply-side constrain for industry while due to economic slowdown, unemployment, job loss and pay cut scenario demand will also take beating. We believe that HFC Industry will also face challenges on both the fronts, assets side as well as on liability side. As per ICRA estimate loan book growth for HFCs would be 6-8% for FY21. Profitability for the sector would also be impacted due to shrinking spreads and elevated credit cost.

However, there is consistent support and measures taken by RBI and GOI in order to control these situations and help financial sector to come out from this challenging time. While we believe and see silver lining in demand to pick up in the affordable and low-cost housing post the lock down especially in areas who are not red zone. For want of safety and hygiene many may give priority to own home over being on rent. Hence expect the momentum to pick from latter part of H2 assuming there is no relapse of the COVID-19 and the lock-downs. Considering current pandemic situation our geographical spread specially in southern states expected to witness early demand.

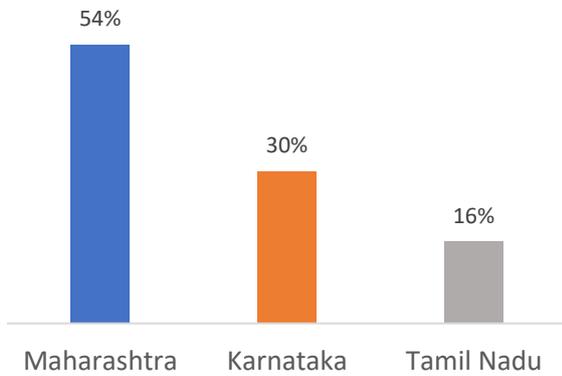
Altum Credo's strength lies in business operations fully operational on cloud based integrated digital platform. From sourcing to disbursement and customer service supported by digital integrated platform. While its strong capital base and very minimal leverage strengthen its balance sheet to weather the current crises and be ready for growth post crises.

Cautionary Statement

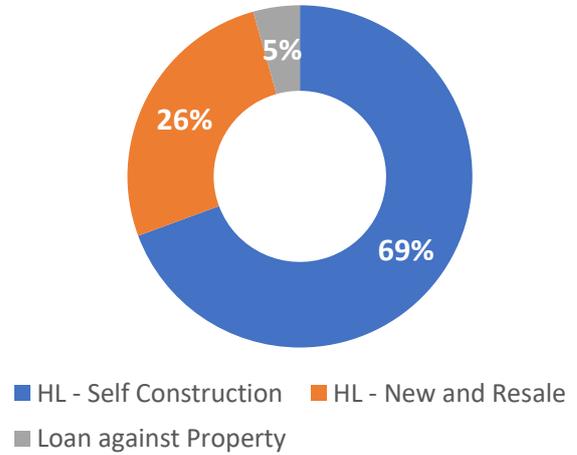
Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.

Loan Book Mix

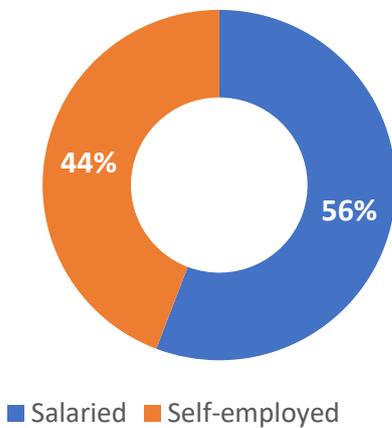
State wise loan book mix



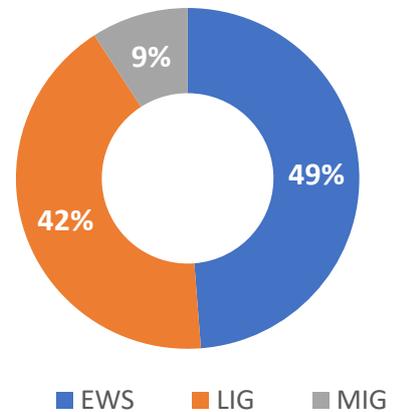
Product mix



Customer mix



Customer Income Segment



Independent Auditors' Report

To the Members of Altum Credo Home Finance Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Altum Credo Home Finance Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profits, and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

As more fully described in Note 34 to the financial statements, the extent to which the COVID-19 pandemic will have an impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for 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.

Independent Auditors' Report – March 31, 2020 (Cont.)

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

Management's and Board of Director's Responsibility 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 these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

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 these financial statements.

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

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

Independent Auditors' Report – March 31, 2020 (Cont.)

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

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

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

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

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 in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by the 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 and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act; and
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditors' Report – March 31, 2020 (Cont.)

Report on Other Legal and Regulatory Requirements (Cont.)

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
2. (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
2. (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a 'private limited company

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Siddhartha Guha

Partner

Membership no.: 124042

UDIN: 20124042AAAABA3998

Place: Pune

Date: June 22, 2020

Annexure A to the Independent Auditor's Report on the Financial Statements

With reference to the Annexure A referred to paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has physically verified certain fixed assets during the year. In our opinion, this is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties in the name of the Company. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.
- ii. The Company is a housing finance company engaged in lending activities. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has not advanced any loans, given any guarantee or provided any security in connection with loans to any of its directors or to any person in whom the director is interested. Thus, provisions of Section 185 are not applicable to the Company. Pursuant to provisions of sub section 11 of section 186 of the Act, the Company is exempted from provisions of Section 186 of the Act, with respect to the loans given.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any services rendered by the Company. Thus, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Goods and Services Tax, Employees' State Insurance and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company do not have any dues on account of Duty of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Services Tax, Employees' State Insurance and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Financial Statements (cont.)

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Value Added Tax, Duty of Custom, Goods and Services Tax and Duty of Excise that have not been deposited on account of dispute.
- viii. The Company has not defaulted in repayment of dues to any bank and financial institution during the year. The Company does not have any outstanding borrowings or loan from debenture holders or government.
- ix. In our opinion and according to the information and explanation given to us, the Company has utilized the money raised by way of term loans during the year for the purpose for which they were raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a private Limited Company, accordingly reporting under paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. The Company is a 'private limited company' and therefore the provisions of section 177 of the Act are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with related parties are in compliance with section 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.
- xiv. According to the information and explanations given to us and based on examination of the records of the Company, the Company has made a preferential allotment of equity shares during the year. Further the Company has complied with the requirements of section 42 of the Act and the amounts raised have been used for the purposes for which the funds were raised. The Company has not made any private placement of share or preferential allotment or private placement of fully or partly convertible debentures during the year.
- xv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-10022

Siddhartha Guha

Partner

Membership no.: 124042

UDIN: 20124042AAAABA3998

Place: Pune

Date: June 22, 2020

Independent Auditors' Report – March 31, 2020 (Cont.)

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Altum Credo Home Finance Private Limited

Report on the Internal Financial Controls under clause (i) of sub – section 3 of Section 143 of the Companies Act, 2013 ("Act")

(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited internal financial controls with reference to financial statements of Altum Credo Home Finance Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of the Internal Financial Control Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountant of India ("ICAI").

Emphasis of matter

As described in Emphasis of Matter paragraph of our report to the financial statements, the extent to which the COVID-19 pandemic will have an impact on the Company's internal financial controls with reference to the financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Control

The Company's management and Board of Directors are 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 Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements 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 accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Altum Credo Home Finance Private Limited (cont.)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgment, 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 control with reference to financial statements.

Meaning of Internal Financial Control with reference to Financial Statements

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

Inherent Limitation of Internal Financial Control with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the 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.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Place: Pune

Date: June 22, 2020

Siddhartha Guha

Partner

Membership no.: 124042

UDIN: 20124042AAAABA3998

Balance Sheet as at March 31, 2020

Amount in INR

Particulars	Note	March 31, 2020	March 31, 2019
A. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	55,10,22,130	46,02,81,690
(b) Reserves and surplus	4	75,53,89,894	42,63,17,370
		1,30,64,12,024	88,65,99,060
(2) Non-current liabilities			
(a) Long term borrowings	5	17,52,29,151	84,97,215
(b) Other long-term liabilities	6	2,49,472	6,43,864
(c) Long term provisions	7	1,08,54,747	14,86,273
		18,63,33,370	1,06,27,352
(3) Current liabilities			
(a) Short term borrowings	8	5,83,601	99,85,243
(b) Trade payables	9		
(i) Total o/s dues of micro enterprises and small enterprises		84,404	2,58,844
(ii) Total o/s dues of creditors other than micro enterprises and small enterprises		25,04,600	21,98,121
(c) Other current liabilities	6	4,92,47,091	37,38,695
(d) Short-term provisions	7	4,59,394	1,50,754
		5,28,79,090	1,63,31,657
Total		1,54,56,24,484	91,35,58,069
B. ASSETS			
(1) Non-current assets			
(a) Property plant and equipment			
(i) Tangible assets	10	63,43,249	78,62,408
(ii) Intangible assets	10	44,35,016	55,68,616
		1,07,78,265	1,34,31,024
(b) Deferred tax assets (net)	11	-	-
(c) Long-term loans and advances	12	83,25,91,431	39,86,17,703
(d) Other non-current assets	15	22,64,668	10,85,605
		83,48,56,099	39,97,03,308
		84,56,34,364	41,31,34,332
(2) Current assets			
(a) Current investments	13	12,09,516	9,18,57,570
(b) Cash and bank balances	14	65,70,94,955	38,72,86,253
(c) Short-term loans and advances	12	3,12,27,823	1,65,57,633
(d) Other current assets	15	1,04,57,826	47,22,281
		69,99,90,120	50,04,23,737
Total		1,54,56,24,484	91,35,58,069

Notes forming part of the financial statements

2-35

As per our report of even date attached
For B S R & Co. LLP
 Firm Reg. No. 101248W/W – 100022

For and on behalf of the Board of Directors
Altum Credo Home Finance Private Limited
 CIN: U65999PN2016PTC166384

Siddhartha Guha
 Partner
 Membership No.: 124042

Vikrant Bhagwat
 Managing Director
 DIN: 06552246

Ganesh Rao
 Director
 DIN: 02302989

Place: Pune
 Date: June 22, 2020
 UDIN: 20124042AAAABA3998

Sanjay Tiwari
 Chief Financial Officer
 Place: Pune
 Date: June 22, 2020

Avanti Gulavani
 Company Secretary

Statement of profit and loss for the period ended March 31, 2020

Amount in INR

Particulars	Note	March 31, 2020	March 31, 2019
Revenue			
Revenue from operations	16	12,50,99,145	3,94,40,657
Other income	17	3,01,80,061	4,68,97,913
Total revenue		15,52,79,206	8,63,38,570
Expenses			
Employee benefit expense	18	8,23,78,602	7,09,15,405
Finance costs	19	1,64,50,816	28,111
Depreciation and amortization expense	10	34,46,815	18,19,651
Other expenses	20	2,78,27,629	2,29,72,938
Provision for contingencies	21	96,53,603	9,93,478
Total Expenses		13,97,57,465	9,67,29,583
Profit/ (Loss) before tax		1,55,21,741	(1,03,91,013)
Tax expense:			
Current tax		-	-
Deferred tax (credit)/charge	11	-	-
Profit / (Loss) for the year		1,55,21,741	(1,03,91,013)
Profit/ (Loss) per equity share of	27		
Basic		0.45	(0.34)
Diluted		0.32	(0.34)
Face value per share		10	10

Notes forming part of the financial statements

2-35

As per our report of even date attached

For B S R & Co. LLP

Firm Reg. No. 101248W/W – 100022

For and on behalf of the Board of Directors

Altum Credo Home Finance Private Limited

CIN: U65999PN2016PTC166384

Siddhartha Guha

Partner

Membership No.: 124042

Vikrant Bhagwat

Managing Director

DIN: 06552246

Ganesh Rao

Director

DIN: 02302989

Place: Pune

Date: June 22, 2020

UDIN: 20124042AAAABA3998

Sanjay Tiwari

Chief Financial Officer

Avanti Gulavani

Company Secretary

Place: Pune

Date: June 22, 2020

Cash flow statement for the year ended March 31, 2020

Particulars	Amount in INR	
	March 31, 2020	March 31, 2019
Cash flow from operational activities		
Profit/(Loss) before tax	1,55,21,741	(1,03,91,013)
Adjustments for:		
Depreciation and amortization expense	34,46,815	18,19,651
Employee stock option expense	40,43,185	1,16,36,081
Capital advance written off	-	24,03,000
Loss on sale/write-off of fixed assets	2,25,005	-
Finance cost	1,64,50,816	28,111
Interest earned on deposits / Dividend received from investments	(3,00,10,093)	(4,68,97,913)
Operating profit before working capital changes	96,77,469	(4,14,02,083)
Adjustments for changes in working capital:		
Increase in short term / long term provisions	96,77,114	13,91,880
Increase in other long term/current liabilities	10,09,108	14,19,155
Increase in trade payable	1,32,039	9,29,643
Increase in long-term and short-term advances	(44,72,32,063)	(39,06,57,091)
Increase in other current and other non-current assets	(11,68,690)	(53,92,066)
Cash used in operating activities before tax	(42,79,05,023)	(43,37,10,563)
Income tax paid	(14,11,856)	(38,59,912)
Net cash flow used in operating activities (A)	(42,93,16,879)	(43,75,70,475)
Cash flows from investing activities		
Net redemption in mutual funds	9,06,48,055	8,83,876
Net investment in fixed deposits	(21,81,82,627)	(10,83,08,022)
Interest earned on deposits	1,87,12,006	3,74,15,451
Dividend received from mutual fund investments	55,52,169	76,75,677
Proceeds on sale of fixed assets	24,578	-
Purchase of fixed assets (net of advances returned)	(10,43,637)	(76,36,049)
Net cash flow used in investing activities (B)	(10,42,89,456)	(6,99,69,067)
Cash flows from financing activities		
Proceeds from issuance of equity share capital (net of issue expenses)	40,02,50,767	63,72,34,920
Borrowings from Banks/financial institutions (net)	20,05,81,862	1,83,92,854
Finance cost paid	(1,56,00,219)	(28,111)
Net cash flow from financing activities (C)	58,52,32,410	65,55,99,663
Net increase in cash and cash equivalents during the year (A + B + C)	5,16,26,076	14,80,60,121
Cash and cash equivalents at the beginning of the year	16,14,68,242	1,34,08,121
Cash and cash equivalents at the end of the year	21,30,94,318	16,14,68,242

Cash flow statement for the year ended March 31, 2020 (Cont.)

Particulars	Amount in INR		
	March 31, 2020	March 31, 2019	March 31, 2018
Components of cash and cash equivalents			
Cash in hand	46,403	77,292	4,992
Balance with banks			
- on current accounts	2,06,37,902	4,03,90,950	84,03,130
- on deposit accounts (with original maturity of 3 Month or less)	19,24,10,013	12,10,00,000	49,99,999
Total cash and cash equivalents (Refer note 14)	21,30,94,318	16,14,68,242	1,34,08,121
Notes forming part of the financial statements	2-35		

As per our report of even date attached
For B S R & Co. LLP
 Firm Reg. No. 101248W/W – 100022

For and on behalf of the Board of Directors
Altum Credo Home Finance Private Limited
 CIN: U65999PN2016PTC166384

Siddhartha Guha
 Partner
 Membership No.: 124042

Vikrant Bhagwat
 Managing Director
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Ganesh Rao
 Director
 DIN: 02302989

Place: Pune
 Date: June 22, 2020
 UDIN: 20124042AAAABA3998

Sanjay Tiwari
 Chief Financial Officer

Avanti Gulavani
 Company Secretary

Place: Pune
 Date: June 22, 2020

Notes forming part of financial statements for the period ended March 31, 2020

1. Corporate Information

Altum Credo Home Finance Private Limited ('the Company') was incorporated on September 12, 2016 with primary objective to cater to home finance needs of customer segment which has limited access to long term finance. The Company received certification of registration from the National Housing Bank (NHB) on June 1, 2017 (w.e.f. May 18, 2017) to commence the business of Housing Finance without accepting public deposits.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India ("Indian GAAP"), and conform to the statutory requirements, circulars and guidelines issued by the National Housing Bank ("NHB") from time to time to the extent applicable. The financial statements have been prepared to comply in all material respects with the Accounting Standards ("AS") notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

2.2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expense and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.3. Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

2.4. Property, plant and equipment, depreciation and amortization

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. The cost of acquisition includes inward freight, duties, taxes and other directly attributable incidental expenses.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of the assets prescribed in Schedule II to the Companies Act, 2013.

Office Equipment	- 5 years
Computers and data processing units	- 3 years
Furniture and fittings	- 10 years
Vehicles	- 5 years
Leasehold improvements	- over period of lease or estimated useful life whichever is lower
Intangible Assets	- 5 years

Intangible assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible assets representing software are initially recorded at their acquisition price and are amortized over its estimated useful life / period of contractual rights on a straight-line basis, commencing from the date the assets are available for its use. The useful life of the intangible assets is reviewed by the management at each Balance Sheet date.

2.5. Revenue Recognition

Interest income on loans is recognized on accrual basis except in case of non-performing assets where interest is recognized upon realization as per the NHB guidelines. Repayment of housing loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

Income on Non-performing assets is recognized only when realized and any interest accrued until the asset became a Non-performing asset and remaining overdue is de-recognized in the month in which the loan is classified as Non-Performing.

Loan sourcing, documentation and Processing fees are recognised on disbursement of loans. Other charges such as cheque bounce charges, late payment charges, SOA charges, Foreclosure statement charges are recognized when there is no significant uncertainty as to determination and realization.

Interest income on fixed deposits is accounted on accrual basis and is recognized on a time proportion basis. Dividend income is accounted for when the right to receive it is established.

2.6. Loans: Classification and provisioning

Housing loans are classified as per the NHB guidelines, into performing and non-performing assets. All loans and other credit exposures where the instalments, including interest and other dues are overdue for a period of more than ninety days are classified as non-performing assets in accordance with the prudential norms prescribed by the NHB. The Company is classifying any non-performing assets as sub-standard and doubtful whose instalments, including interest and other dues are overdue for a period of 4 to 15 months and more than 15 months respectively as stated by NHB guidelines. Additional provisions are made against specific non-performing assets over and above as stated in the NHB guidelines, if in the opinion of management, a higher provision is necessary. The Company maintains general provision for standard assets as per the prudential norms prescribed by the NHB.

In addition, the Company has considered the possible effects that may result from the COVID-19 pandemic on carrying amount of its loan assets and the corresponding credit losses and has made additional contingency provision based on the information available at this point of time including economic forecasts and expected stress in the economy. The Management shall periodically review the adequacy of this provision. Refer Note 29 and 34 to the financial statements for more details.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

2.7. Investment

In accordance with AS - 13 on "Accounting for Investments" and the Guidelines issued by the National Housing Bank ("NHB"), investments expected to mature after twelve months are taken as long-term investment and stated at cost. Provision is recognized only in case of diminution, which is other than temporary in nature. All other investments are recognized as current investments and are valued at lower of cost and fair value. In case of unquoted units of schemes of mutual fund, NAV declared by respective mutual fund is considered as fair value.

2.8. Impairment

In accordance with Accounting Standard 28 – Impairment of Assets (AS 28), the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets' recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.9. Employee Benefits

a) Defined contribution plans: Contributions payable to the recognized provident fund which is a defined contribution scheme are charged to the Statement of Profit and Loss.

b) Defined benefit plans: The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such defined benefit plan is determined based on valuation carried out by an independent actuary (using Projected Unit Credit Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yield of Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

c) Compensated absences: The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.10. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.11. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating lease rentals are recognized over the period of the lease in the Statement of Profit and Loss on a straight-line basis in accordance with the Accounting Standard 19 'Leases'.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

2.12. Earnings per share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders (After adjusting the impact of cumulative preference dividends) by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.13. Taxes on Income

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

The Company has opted for the concessional tax regime and avails the option to tax at the rate of 22%.

2.14. Provisions and contingencies

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.15. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.16. Employee stock option scheme

The Altum Credo Employee Stock Option Plan (the "Scheme") has been established by the Company. The Scheme provides that employees of Altum Credo Home Finance Private Limited are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The Company uses the intrinsic value method to account for employee share-based payments. The excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

3. Share capital

Authorized:	March 31, 2020	March 31, 2019
4,25,98,927 (Previous year 3,24,15,593) Equity Shares of ₹10 each	42,59,89,270	32,41,55,930
2,07,51,073 (Previous year 1,40,84,407) Preference Shares of ₹10 each	20,75,10,730	14,08,44,070
Total	63,35,00,000	46,50,00,000
Issued, subscribed and paid-up shares		
4,10,17,806 (Previous year 3,19,43,762) equity shares of ₹10 each	41,01,78,060	31,94,37,620
1,40,84,407 (Previous year 1,40,84,407) 0.001% Compulsory Convertible Cumulative Preference Shares of ₹10 each	14,08,44,070	14,08,44,070
Total	55,10,22,130	46,02,81,690

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

	March 31, 2020		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	3,19,43,762	31,94,37,620	2,65,00,000	26,50,00,000
Issued during the year	90,74,044	9,07,40,440	54,43,762	5,44,37,620
Outstanding at the end of the year	4,10,17,806	41,01,78,060	3,19,43,762	31,94,37,620
0.001% Compulsorily Convertible Cumulative Preference Shares				
At the beginning of the year	1,40,84,407	14,08,44,070	-	-
Issued during the year	-	-	1,40,84,407	14,08,44,070
Outstanding at the end of the year	1,40,84,407	14,08,44,070	1,40,84,407	14,08,44,070

b. Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. All equity shares rank equally with regards to dividend and share in residual assets. Dividends proposed by the Board of Directors, if any dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The Company has not declared / proposed any dividend in the current year and previous year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Rights, preferences and restrictions attached to Preference Shares

Compulsorily Convertible Cumulative Preference Shares ("CCPS") shall mandatorily convert into Equity Shares at the Conversion Ratio as per Shareholders Agreement executed on 26th March 2018 within 20 years from the date on which such CCPS were first issued by the Company.

The holders of these shares are entitled to a cumulative dividend of 0.001% as and if declared by the Board and any additional dividends shall be distributed to all shareholders in proportion to the number of Equity Shares that would be held by each such Shareholder if all CCPS were converted to Equity Shares at the then effective Conversion Ratio for each such CCPS as per Shareholders Agreement executed on 26th March 2018.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

3. Share capital (Cont.)

Each CCPS holder shall be entitled to vote on an 'as converted basis' (i.e., the number of votes available to each CCPS holder will be equal to the number of Equity Shares which are issuable to such CCPS Holder assuming full conversion of all CCPS held by such CCPS Holder into Equity Shares).

CCPS holders have sole discretion, prior and in preference to any distribution of any assets to any shareholder an amount equal to 100% of the investment amount and declared but unpaid dividends. Thereafter, any remaining amount to be distributed in proportion to the number of shares held by the shareholders including CCPS holders. If on liquidation the payment to CCPS holder is insufficient then the entire assets and funds of the company legally available shall be entirely distributed to the CCPS holder.

d. Employee stock options

Terms attached to stock options granted to employees are described in note 26 regarding employee share-based payments.

e. Details of shareholders holding more than 5% shares in the Company

Equity Shares	March 31, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
1. Ganesh Rao	75,90,000	18.50%	75,90,000	23.76%
2. Ashish Tewari	80,00,000	19.50%	80,00,000	25.04%
3. Vikrant Bhagwat	43,12,556	10.51%	43,12,556	13.50%
4. P. Surendra Pai and family	2,03,69,994	49.66%	1,14,81,106	35.94%

Preference Shares	March 31, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
1. Aavishkaar Bharat Fund	1,40,84,407	100.00%	1,40,84,407	100.00%

4. Reserves and Surplus

Particulars	March 31, 2020	March 31, 2019
Employee stock option outstanding account		
Balance at the beginning of the year	79,02,107	1,12,66,026
Add: Employee compensation expense for the year	40,43,185	1,16,36,081
Less: Share allotment during the year	47,21,478	1,50,00,000
Balance at the end of the year	72,23,814	79,02,107
Statutory reserve (As per section 29C of the National Housing Bank Act, 1987)		
Balance at the beginning of the year	-	-
Add: Addition during the year	31,04,348	-
Less: Appropriation during the year	-	-
Balance at the end of the year	31,04,348	-
Securities premium account		
Balance at the beginning of the year	45,69,53,230	-
Add: Premium on issue of equity shares	31,58,32,558	45,97,18,310
Less: Amounts utilized toward share issue expenses	16,00,750	27,65,080
Balance at the end of the year	77,11,85,038	45,69,53,230

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

4. Reserves and Surplus (Cont.)

Particulars	March 31, 2020	March 31, 2019
Deficit in Statement of Profit and Loss		
Balance at the beginning of the year	(3,85,37,967)	(2,81,46,954)
Add: Profit/(Loss) for the year	1,55,21,741	(1,03,91,013)
Appropriations		
Less: Transfer to Special Reserve	31,04,348	-
Less: Provision for cumulative dividend on preference shares	2,732	-
Balance at the end of the year	(2,61,23,306)	(3,85,37,967)
Total Reserves and Surplus	75,53,89,894	42,63,17,370

Statutory reserve u/s 29C of NHB Act

As per Section 29C (1) of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under section 36(1)(viii) of the Income Tax Act, 1961, is considered to be an eligible transfer. Accordingly, the company has transferred Rs. 31,04,348 (Previous Year- Nil) to the Special Reserve.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with provisions of Companies Act, 2013.

Share options outstanding account

The Company has established equity-settled share-based payment plan for certain categories of employees of the Company. Refer Note 26 for further details on this plan.

5. Long-term Borrowings

	March 31, 2020	March 31, 2019
Term loans (Secured)		
- from Banks	11,76,66,666	-
- from NBFCs	10,23,16,838	1,00,00,000
Less: Current maturities of long-term borrowings	(4,47,54,353)	(15,02,785)
Total	17,52,29,151	84,97,215

Terms of repayment of terms loans

Interest Rate	3-5 years	1-3 years	0-1 years	Total
From Banks				
12.5% - 13%	3,96,66,666	5,20,00,000	2,60,00,000	11,76,66,666
From NBFC's				
13% - 13.5%	4,04,56,392	4,31,06,093	1,87,54,353	10,23,16,838
	8,01,23,058	9,51,06,093	4,47,54,353	21,99,83,504

Term loans from banks/NBFCs - secured by way of hypothecation of receivables i.e. loans and advances repayable over the tenure of 5 years.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

6. Other Liabilities

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current maturities of long-term borrowings	-	-	4,47,54,353	15,02,785
Unearned revenue	-	4,47,999	46,638	-
Deferred rent	2,46,740	1,95,865	-	-
Statutory liabilities	-	-	16,71,699	14,95,049
Accrued employee cost	-	-	19,01,476	6,62,839
Interest on borrowing accrued but not due	-	-	8,72,925	22,329
Dividend on CCPS	2,732	-	-	-
Others	-	-	-	55,693
	2,49,472	6,43,864	4,92,47,091	37,38,695

7. Provisions

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
Provision for gratuity (Refer note 25)	2,79,281	3,26,467	-	-
Provision for compensated absences	2,12,322	1,67,081	1,42,270	1,16,814
Provision for standard receivable under financing activities*				
Housing Loan	19,82,731	9,52,403	54,412	27,760
Non-Housing Loan	1,28,425	40,322	12,876	6,180
Other contingency provision for receivables under financing activities*				
Housing Loan	79,30,925	-	2,17,646	-
Non-Housing Loan	3,21,063	-	32,190	-
	1,08,54,747	14,86,273	4,59,394	1,50,754

*Refer note 29 and 32.19

8. Short term borrowings

	March 31, 2020	March 31, 2019
Loans repayable on demand (secured)		
Bank Overdraft/Cash Credit Facility	5,83,601	99,85,243
	5,83,601	99,85,243

Overdraft facility represents overdraft against fixed deposit and are repayable on demand. These have been secured by a lien against the underlying fixed deposit.

9. Trade payables

	March 31, 2020	March 31, 2019
Other than acceptances:		
Total o/s dues of micro enterprises and small enterprises (Refer note 22)	84,404	2,58,844
Total o/s dues of creditors other than micro enterprises and small enterprises	25,04,600	21,98,121
	25,89,004	24,56,965

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

10. Property plant and equipment

	Leasehold improvements	Computers	Furnitures and fixtures	Vehicles	Office equipment	Total tangible assets	Computer software	Total Assets
Cost								
As at 1 April 2019	15,77,181	35,79,974	30,80,548	10,48,821	10,25,585	1,03,12,109	56,68,000	1,59,80,109
Additions	5,48,456	3,43,378	47,542	-	1,04,261	10,43,637	-	10,43,637
Disposals	27,877	-	2,69,135	-	-	2,97,012	-	2,97,012
As at 31 March 2020	20,97,760	39,23,352	28,58,955	10,48,821	11,29,846	1,10,58,734	56,68,000	1,67,26,734
Depreciation/Amortisation								
As at 1 April 2019	3,56,911	11,52,253	4,07,146	3,09,187	2,24,204	24,49,701	99,384	25,49,085
Charge for the year	3,77,048	12,26,865	2,91,428	2,09,764	2,08,110	23,13,215	11,33,600	34,46,815
Disposals	3,712	-	43,719	-	-	47,431	-	47,431
As at 31 March 2020	7,30,247	23,79,118	6,54,855	5,18,951	4,32,314	47,15,485	12,32,984	59,48,469
Net book value								
As at 31 March 2020	13,67,513	15,44,234	22,04,100	5,29,870	6,97,532	63,43,249	44,35,016	1,07,78,265
As at 31 March 2019	12,20,270	24,27,721	26,73,402	7,39,634	8,01,381	78,62,408	55,68,616	1,34,31,024

	Leasehold improvements	Computers	Furnitures and fixtures	Vehicles	Office equipment	Total tangible assets	Computer software	Total Assets
Cost								
As at 1 April 2018	10,02,376	14,30,205	10,05,063	10,48,821	5,33,545	50,20,010	-	50,20,010
Additions	5,74,805	21,49,769	20,75,485	-	4,92,040	52,92,099	56,68,000	1,09,60,099
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	15,77,181	35,79,974	30,80,548	10,48,821	10,25,585	1,03,12,109	56,68,000	1,59,80,109
Depreciation/Amortisation								
As at 1 April 2018	1,51,592	3,00,787	56,114	1,24,278	96,663	7,29,434	-	7,29,434
Charge for the year	2,05,319	8,51,466	3,51,032	1,84,909	1,27,541	17,20,267	99,384	18,19,651
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	3,56,911	11,52,253	4,07,146	3,09,187	2,24,204	24,49,701	99,384	25,49,085
Net book value								
As at 31 March 2019	12,20,270	24,27,721	26,73,402	7,39,634	8,01,381	78,62,408	55,68,616	1,34,31,024
As at 31 March 2018	8,50,784	11,29,418	9,48,949	9,24,543	4,36,882	42,90,576	-	42,90,576

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

11. Deferred tax assets (net)

	March 31, 2020	March 31, 2019
Deferred tax asset		
Gratuity	-	84,881
Compensated absence	89,244	73,813
Excess contribution to provident fund	-	24,519
Preliminary expenditure	66,474	1,37,342
Provision for doubtful debts and advances	15,74,984	2,66,933
Carry forward losses	-	1,31,294
	17,30,702	7,18,782
Deferred tax liabilities		
Depreciation	2,03,388	2,98,956
Unamortised Borrowing Costs	7,46,012	4,19,826
Special reserve created under section 36(1)(viii) of the Income tax Act, 1961, DTL to be created in accordance with NHB/(ND)/DRS/Pol Circular 62/2014	7,81,302	-
	17,30,702	7,18,782
Net deferred tax liability recognized in the financial statements (see note below)	-	-

As per para 17 of accounting standard 22 (AS 22) (Accounting for taxes on income) notified under section 133 of the Companies Act 2013, "Where an enterprise has an unabsorbed depreciation or carry forward losses under tax laws, deferred tax assets should be recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized." In the absence of virtual certainty, the Company has recognized deferred tax assets only to the extent of deferred tax liabilities.

12. Loans and advances

Particulars	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
To parties other than related parties				
Loans to customers under financing activities				
Secured and considered good				
Housing Loan	79,30,92,530	38,09,61,499	2,17,64,638	1,11,03,830
Non-Housing Loan - Loan against Properties	3,21,06,306	1,00,80,465	32,18,965	15,44,998
	82,51,98,836	39,10,41,964	2,49,83,603	1,26,48,828
Other loans and advances				
Unsecured, considered good unless otherwise stated:				
Security deposits	17,46,000	33,41,000	13,07,550	8,47,000
Advance Income Tax recoverable (net of provision -Nil) (Previous Year -Nil)	56,46,595	42,34,739	-	-
GST receivable	-	-	3,22,815	76,760
Capital advance	-	-	1,25,376	-
Other deposits and advances	-	-	44,88,479	29,85,045
	73,92,595	75,75,739	62,44,220	39,08,805
	83,25,91,431	39,86,17,703	3,12,27,823	1,65,57,633

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

13. Current Investments

	March 31, 2020	March 31, 2019
Investment in mutual funds - (unquoted) (non-trade)		
Units of ABSL Mutual fund	1,18,272	1,28,78,744
Units of Nippon India Mutual fund	1,16,707	7,89,78,826
Units of HDFC Mutual fund	9,74,537	-
	12,09,516	9,18,57,570

Details of current investments

No of units

ABSL Liquid Fund - Daily dividend - Direct reinvestment	1,180	1,28,477
Nippon India Liquid Fund - Direct Plan Daily Dividend Option (LFADR)	76	51,642
HDFC Liquid Fund - Direct Plan - Dividend Daily Reinvestment	956	-

14. Cash and bank balances

	March 31, 2020	March 31, 2019
Cash and cash equivalents:		
Cash in hand	46,403	77,292
Balance with banks		
- on current accounts	2,06,37,902	4,03,90,950
- on deposit accounts (with original maturity of 3 Month or less)	19,24,10,013	12,10,00,000
	21,30,94,318	16,14,68,242
Other banks balances (deposits having maturity between 3 to 12 months)	44,40,00,637	22,58,18,011
	65,70,94,955	38,72,86,253

15. Other assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(unsecured, considered good unless otherwise stated)				
Interest accrued but not due on deposit with bank	-	-	87,73,929	30,28,012
Unamortised Loan Acquisition Cost	22,64,668	10,85,605	6,99,460	5,29,113
Prepaid expenses	-	-	9,83,773	11,65,156
Other Current Assets	-	-	664	-
	22,64,668	10,85,605	1,04,57,826	47,22,281

16. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations		
Interest income	10,40,09,698	2,33,44,426
Processing fees and other charges	2,10,89,447	1,60,96,231
	12,50,99,145	3,94,40,657

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

17. Other Income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on fixed deposits with bank	2,44,57,923	3,92,22,236
Dividend income from mutual funds	55,52,169	76,75,677
Other income	1,69,969	-
	3,01,80,061	4,68,97,913

18. Employee benefit expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	7,24,26,592	5,56,57,707
Contributions to provident and other funds (Refer Note 25)	54,02,497	31,38,980
Employee stock option expense (Refer Note 26)	40,43,185	1,16,36,081
Staff welfare expenses	5,06,328	4,82,637
	8,23,78,602	7,09,15,405

19. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on borrowings - Term loans	1,56,31,607	22,329
Other borrowing costs	8,19,209	5,782
	1,64,50,816	28,111

20. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	3,39,895	3,88,256
Rent (Refer Note 30)	67,81,265	55,13,538
Legal and professional fees	86,79,116	72,57,282
Travelling and conveyance expenses	21,83,300	21,76,280
IT support services	50,94,380	11,82,353
Housekeeping Charges	5,66,646	4,98,372
Rates and taxes	57,365	2,17,513
Payment to auditors (Refer Note 28)	12,10,810	6,20,483
Telephone and other communication expenses	10,01,093	6,21,249
Printing and stationery	5,10,533	9,10,149
Capital Advance written off	-	24,03,000
Office expenses	3,66,562	4,48,381
Repairs and maintenance - Others	94,574	94,859
Brokerage and commission	40,134	91,000
Insurance	1,10,974	83,309
Miscellaneous expenses	7,90,982	4,66,914
	2,78,27,629	2,29,72,938

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

21. Provision for contingencies

	Year ended March 31, 2020	Year ended March 31, 2019
Provision for standard assets (Refer Note 29 and 32.19)	11,51,779	9,93,478
Provision for other contingency on standard assets (Refer Note 29 and 32.19)	85,01,824	-
	96,53,603	9,93,478

22. Compliance with Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The Company has amounts due to suppliers under the MSMED Act as at March 31, 2020. The disclosure pursuant to the said Act is as under:

	March 31, 2020	March 31, 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	84,404	2,58,844
Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006:	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day:	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

23. Segment Reporting

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segment as per AS 17 "Segment Reporting".

24. Disclosures as required by the Accounting Standard 18 (AS – 18) "Related Party Disclosures"

(a) Names of related parties and description of relationship:

Name of Related Party	Nature Of relationship
Mr. Vikrant Bhagwat, MD and CEO	Key Management Personnel (KMP)
Mr. Sanjay Tiwari, CFO	Key Management Personnel (KMP)
Ms. Natasha D'silva, Company Secretary until Jun 13, 2018	Key Management Personnel (KMP)
Ms. Nivedita Shindhe, Company Secretary from Jun 13, 2018 until Mar 12, 2020	Key Management Personnel (KMP)
Ms. Avanti Gulavani, Company Secretary w.e.f Mar 12, 2020	Key Management Personnel (KMP)
Tweedle Technologies Private Limited	Enterprise in which a Director has significant influence
Mr. P. Surendra Pai & Mrs. Savita S Pai	Significant influence over the company
Mr. Ganesh Rao	Significant influence over the company
Mr. Ashish Tewari	Significant influence over the company
Aavishkaar Bharat Fund	Significant influence over the company

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

24. Disclosures as required by the Accounting Standard 18 (AS – 18) “Related Party Disclosures” (Cont.)

(b) Details of related party transactions for the year

Transactions	Name of related party	March 31, 2020	March 31, 2019
Remuneration- KMP (See note below)	Vikrant Bhagwat	49,46,880	45,30,081
	Sanjay Tiwari	30,74,121	27,15,810
	Avanti Gulavani	1,27,864	-
	Nivedita Shindhe	3,95,715	3,05,579
	Natasha D'silva	-	77,259
Employee shared based compensation	KMP	17,64,566	85,28,323
IT support services (expense)	Tweedle Technologies Private Limited	-	1,60,000

Notes:

- 1) There are no amounts written off or written back during the year in respect of debts due from related party.
- 2) Remuneration excludes provision for employee benefits as separate actuarial valuation for KMP is not available.
- 3) Vikrant Bhagwat, the MD and CEO has given personal guarantee provided for borrowings taken by the Company as at the year end.

25. Employee benefits: Post-employment benefit plans

Defined contribution plans: The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹38,30,189 (Previous year: ₹24,53,786).

The Company has a defined benefit gratuity plan for qualifying employees. The plan provides for a lump sum payment to employees, at retirement, death while in service or on termination of employment of an amount equivalent to 15 days salary for every completed year of service or a part there of in excess of six months up to maximum of ₹20 Lakhs. Vesting occurs upon completion of five years of continuous service.

Changes in the present value of the defined benefit obligation

	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of the year	5,91,278	1,51,468
Current service cost	5,64,332	1,62,525
Interest cost	41,389	11,057
Actuarial loss	1,75,212	2,66,228
Benefits paid	-	-
Defined benefit obligation at the end of the year	13,72,211	5,91,278

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

25. Employee benefits: Post-employment benefit plans (Cont.)

Fair value of plan assets

	March 31, 2020	March 31, 2019
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the period	2,64,811	-
Expected return on plan assets	51,482	9,550
Contributions	7,90,436	2,44,878
Benefits paid	-	-
Actuarial Gain / (Loss) on plan assets	(13,799)	10,383
Fair value of plan assets at the end of the year	10,92,930	2,64,811
Actual return on plan assets	37,683	19,933
Actuarial loss recognized		
Actuarial loss for the period - Obligations	1,75,212	2,66,228
Actuarial (Gain) / Loss for the period - Plan assets	13,799	(10,383)
Total Loss for the period	1,89,011	2,55,845
Actuarial Loss recognized in the period	1,89,011	2,55,845
Unrecognized Actuarial (Gain) /Loss in the period	-	-

Net employee benefit expense recognized in the Statement of Profit and Loss

	March 31, 2020	March 31, 2019
Current service cost	5,64,332	1,62,525
Interest cost on benefit obligation	41,389	11,057
Expected return on plan assets	(51,482)	(9,550)
Net actuarial loss recognized	1,89,011	2,55,845
Expense recognized in the Statement of profit and loss	7,43,250	4,19,877

Amounts to be recognized in the balance sheet

	March 31, 2020	March 31, 2019
Present value of obligation at the end of period	13,72,211	5,91,278
Fair value of the plan assets at the end of period	10,92,930	2,64,811
(Deficit)	(2,79,281)	(3,26,467)
Current liability	-	-
Non - current liability	2,79,281	3,26,467
Unrecognised past service costs	-	-
Net asset/(liability) recognized in balance sheet	(2,79,281)	(3,26,467)

Reconciliation of net asset/(liability) recognized

	March 31, 2020	March 31, 2019
Net asset /(liability) recognized at the beginning of the period	(3,26,467)	(1,51,468)
Company contributions	7,90,436	2,44,878
Expense recognized at the end of period	(7,43,250)	(4,19,877)
Mortality charges and taxes	-	-
Net asset / (liability) recognized at the end of the period	(2,79,281)	(3,26,467)

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

25. Employee benefits: Post-employment benefit plans (Cont.)

Experience adjustment history for 5 years

	March 31, 2020	March 31, 2019	March 31, 2018
Present value of obligation	13,72,211	5,91,278	1,51,468
Plan assets	10,92,930	2,64,811	-
(Deficit)	(2,79,281)	(3,26,467)	(1,51,468)
Experience (Gain) or Loss on plan liabilities	97,762	2,57,157	1,26,402
Experience (Gain) or Loss on plan assets	13,799	(10,383)	-

The principal assumptions used in determining defined benefit obligation

	March 31, 2020	March 31, 2019
Discount rate	5.80%	7.30%
Attrition rate	25.00%	25.00%
Salary escalation	8.00%	8.00%

The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

Salary Escalation Rate: The estimates of future salary increase take into account the inflation, seniority, promotion and other relevant factors.

26. Stock Option Plans

The company has one stock option scheme. The Altum Credo Employee Stock Option Plan (ESOP 2017) was approved by the Board of Directors and shareholders of the Company on November 02, 2017. The ESOP plan will be administered by the Board of the Company. Each option carries with it the right to purchase one equity share of the Company. The Board can grant up to a maximum 13,25,000 options, not exceeding 2,65,000 options per employee per annum. All options shall be granted at exercise price as per scheme or as approved by the board.

i) Altum Credo Employee Stock Option Plan (ESOP 2017) Grant I: 2,50,000 options representing 2,50,000 equity shares of ₹10 each were granted under this scheme by the Board in its meeting held on November 02, 2017.

ii) Altum Credo Employee Stock Option Plan 2017 (ESOP 2017) Grant II: 3,11,000 options representing 3,11,000 equity shares of ₹10 each were granted under this scheme by the Board in its meeting held on June 13, 2018.

iii) Altum Credo Employee Stock Option Plan 2017 (ESOP 2017) Grant III - A: 3,11,000 options representing 3,11,000 equity shares of ₹10 each were granted under this scheme by the Board in its meeting held on June 10, 2019.

iv) Altum Credo Employee Stock Option Plan 2017 (ESOP 2017) Grant III - B: 50,000 options representing 50,000 equity shares of ₹10 each were granted under this scheme by the Board in its meeting held on June 10, 2019.

	Year ended March 31, 2020	Year ended March 31, 2019
The ESOP 2017 - Grant I		
Options outstanding at the beginning of the year	2,50,000	2,50,000
Granted during the year	-	-
Exercised during the year	1,50,000	-
Cancelled / lapsed during the year	-	-
Option outstanding, end of the year	1,00,000	2,50,000
Exercisable at the end of the year	25,000	1,00,000

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

26. Stock Option Plans (Cont.)

	Year ended March 31, 2020	Year ended March 31, 2019
The ESOP 2017 - Grant II		
Options outstanding at the beginning of the year	2,93,500	-
Granted during the year	-	3,11,000
Exercised during the year	35,156	-
Cancelled / lapsed during the year	1,55,344	17,500
Option outstanding, end of the year	1,03,000	2,93,500
Exercisable at the end of the year	2,500	-
The ESOP 2017 - Grant III - A		
Options outstanding at the beginning of the year	-	-
Granted during the year	3,11,000	-
Exercised during the year	-	-
Cancelled / lapsed during the year	-	-
Option outstanding, end of the year	3,11,000	-
Exercisable at the end of the year	-	-
The ESOP 2017 - Grant III - B		
Options outstanding at the beginning of the year	-	-
Granted during the year	50,000	-
Exercised during the year	-	-
Cancelled / lapsed during the year	-	-
Option outstanding, end of the year	50,000	-
Exercisable at the end of the year	-	-

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	ESOP 2017 - Grant I	ESOP 2017 - Grant II	ESOP 2017 - Grant III-A	ESOP 2017 - Grant III-B
1. Risk free interest rate (%)	6.59%	7.90%	6.81%	6.73%
2. Expected life	3.9	4.5	4.5	3.9
3. Expected volatility (%)	40.93%	36.01%	38.07%	38.60%
4. Dividend yield (%)	0.00%	0.00%	0.00%	0.00%

The compensation cost of stock options granted to employees has been accounted by the Company using the intrinsic value method. Had the compensation cost for the Company's stock-based compensation plan been determined as per fair value approach (calculated using Black Scholes Options Pricing Model), the Company's Profit after Tax would be lower by ₹26,91,325 (Previous Year: Loss after tax higher by ₹7,83,476) and profit/(loss) per share as reported would be higher as indicated below:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) after tax	1,55,21,741	(1,03,91,013)
Add: Stock based compensation expense under intrinsic value-based method	40,43,185	1,16,36,081
Less: Stock based compensation expense under fair value-based method	(67,34,510)	(1,24,19,557)
Adjusted net profit/(loss)	1,28,30,416	(1,11,74,489)
Basic profit/(loss) per share (in Rs.)		
- As reported	0.45	(0.34)
- Adjusted	0.37	(0.34)
Diluted profit/(loss) per share (in Rs.)		
- As reported	0.32	(0.34)
- Adjusted	0.26	(0.34)

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

27. Basic and Diluted earnings per share (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) after tax attributable to equity shareholders	1,55,21,741	(1,03,91,013)
Weighted Average Number of Equity Shares for Basic EPS	3,46,90,161	3,08,52,785
Basic profit/(loss) per share	0.45	(0.34)
Profit/(Loss) after tax attributable to equity shareholders	1,55,21,741	(1,03,91,013)
Add: Dividend on CCPS	2,732	-
Adjusted net profit/(loss) for diluted EPS	1,55,24,473	(1,03,91,013)
Weighted Average Number of Equity Shares for Basic EPS	3,46,90,161	3,08,52,785
Effect of dilutive potential equity shares*		
Add: Compulsorily convertible cumulative preference shares	1,40,84,407	-
Add: Employee stock options	3,32,759	-
Weighted Average Number of Equity Shares for Diluted EPS	4,91,07,327	3,08,52,785
Diluted profit/(loss) per share	0.32	(0.34)

*As at March 31, 2019 the outstanding potential equity shares had an anti-dilutive effect on EPS. Hence there was no dilution of EPS for that year.

28. Payment to Auditors

	Year ended March 31, 2020	Year ended March 31, 2019
Payments to the Statutory Auditors comprise (Excluding GST expense)		
For Statutory audit	8,25,000	3,50,000
For Tax Audit	1,00,000	50,000
For Certification work	1,40,000	1,50,000
For Out of pocket expenses	46,185	19,250
	11,11,185	5,69,250

29. Provision for contingency and losses on loans given to customers

	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	10,26,665	33,187
Provided during the year		
Standard Asset provision	11,51,779	9,93,478
Other contingencies	85,01,824	-
Closing balance	1,06,80,268	10,26,665

The Company has made provision for the Standard Assets, in accordance with Master Circular NHB(ND)/DRS/REG/MC-01/2016 dated July 01, 2016 issued by National Housing Bank (NHB). In addition, the Company has considered the possible effects that may result from the COVID-19 pandemic on carrying amount of its loan assets (which predominantly consist of loan to customers who belong to Low-Income Group (LIG) and Economically Weaker Section (EWS) income segments) and the corresponding credit losses. The company has made an additional contingency provision of 1% amounting to ₹85,01,824 in addition to the provision made as per the above mentioned NHB rules.

30. Operating Leases

The Company has taken office premises under operating leases. These lease arrangements are ranging between 11 months to 60 months. The future lease payments in respect of non-cancellable operating lease are as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Not later than 1 year	26,98,540	14,17,320
Later than 1 year and not later than 5 years	21,43,664	26,55,427
Later than 5 years	-	-

Lease rental charge to the Statement of Profit and Loss is ₹67,81,265 (as on 31 March 2019: ₹55,13,538)

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

31. Contingent liabilities and commitments

	March 31, 2020	March 31, 2019
a. Contingent liabilities	-	-
b. Commitments:		
(i) Commitments not provided for:		
• Estimated amount on account of contracts to be executed and not provided for (net of advance)	73,14,625	1,08,00,000
(ii) Commitments not provided for:		
• Commitments related to loans sanction but undrawn	-	74,42,557
• Commitments related to loans sanction but partially undrawn	11,26,43,269	11,46,52,513
Total	11,99,57,894	13,28,95,070

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB

32.1. Capital

	March 31, 2020	March 31, 2019
a) CRAR (%)	329.37%	270.14%
b) CRAR - Tier I Capital (%)	328.12%	269.83%
c) CRAR - Tier II Capital (%)	1.25%	0.32%
d) Amount of subordinated debt raised as Tier- II Capital	-	-
e) Amount raised by issue of Perpetual Debt Instruments	-	-

32.2. Reserve Fund under Section 29C of NHB Act, 1987

	March 31, 2020	March 31, 2019
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987.	-	-
c) Total	-	-
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	31,04,348	-
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	-	-
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act	31,04,348	-
c) Total	31,04,348	-

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.3. Investments

	March 31, 2020	March 31, 2019
a) Value of Investments		
(i) Gross Value of Investment	12,09,516	9,18,57,570
a. In India	-	-
b. Outside India	-	-
(ii) Provision for Depreciation		
a. In India	-	-
b. Outside India	-	-
(iii) Net Value of Investments		
a. In India	12,09,516	9,18,57,570
b. Outside India	-	-
b) Movement of Provisions held towards depreciation on Investments		
(i) Opening Balance	-	-
(ii) Add: Provisions made During the Year	-	-
(iii) Less: Write-off/Write Back of Excess provisions during the year	-	-
(iv) Closing Balance	-	-

32.4. Derivatives

	March 31, 2020	March 31, 2019
a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)		
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-
b) Exchange Traded Interest Rate (IR) Derivative		
i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)		
ii) Notional principal amount of exchange traded IR derivatives outstanding as on (instrument-wise)	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
c) Disclosures on Risk Exposure in Derivatives		
- Qualitative disclosures: Nil		
- Quantitative Disclosure		
	March 31, 2020	
	Currency Derivatives	Interest rate derivatives
i) Derivatives (Notional Principal Amount)	-	-
ii) Marked to Market Positions [1]	-	-
(a) Assets (+)	-	-
(b) Liability (-)	-	-
iii) Credit Exposure [2]	-	-
iv) Unhedged Exposures	-	-

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.5. Securitisation

a) Securitisation transactions entered into by the HFC and outstanding as of March 31, 2020

	No./Amount
1. No of SPVs sponsored by the HFC for securitisation transactions	-
2. Total amount of securitised assets as per books of the SPVs sponsored	-
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	-
(I) Off-balance sheet exposures towards Credit Enhancements	-
(II) On-balance sheet exposures towards Credit Enhancements	-
4. Amount of exposures to securitisation transactions other than MRR	-
(I) Off-balance sheet exposures towards Credit Enhancements	-
a) Exposure to own securitizations	-
b) Exposure to third party securitisations	-
(II) On-balance sheet exposures towards Credit Enhancements	-
a) Exposure to own securitisations	-
b) Exposure to third party securitisations	-

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

	March 31, 2020	March 31, 2019
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

c) Details of Assignment transactions undertaken by HFCs

	March 31, 2020	March 31, 2019
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts assigned	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

d) Details of non-performing financial assets purchased / sold

	March 31, 2020	March 31, 2019
A. Details of non-performing financial assets purchased:	-	-
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(iii) Of these, number of accounts restructured during the year	-	-
(iv) Aggregate outstanding	-	-
B. Details of Non-performing Financial Assets sold:	-	-
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.6. Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2020:

Particulars	Upto 30/31 days	Over 1 & upto 2 months	Over 2 & upto 3 months	Over 3 & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 year & upto 7 years	Over 7 year & upto 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from Banks/Financial institutions*	42,35,512	36,89,877	36,74,451	1,11,18,488	2,26,19,626	9,51,06,093	8,01,23,058	-	-	-	22,05,67,105
Market borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	5,18,443	4,69,989	13,72,485	57,30,799	1,68,91,885	8,37,77,042	10,95,46,087	12,05,14,014	18,88,49,521	32,25,12,174	85,01,82,439
Investments	12,09,516	-	-	-	-	-	-	-	-	-	12,09,516
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2019:

Particulars	Upto 30/31 days	Over 1 & upto 2 months	Over 2 & upto 3 months	Over 3 & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 year & upto 7 years	Over 7 year & upto 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from Banks/Financial institutions*	1,00,97,892	1,21,135	1,18,909	3,68,398	7,81,694	36,86,823	48,10,392	-	-	-	1,99,85,243
Market borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	6,53,263	8,18,151	8,82,223	30,44,367	72,50,823	3,58,12,546	4,67,20,128	4,99,92,970	9,50,10,327	16,35,05,994	40,36,90,792
Investments	9,18,57,570	-	-	-	-	-	-	-	-	-	9,18,57,570
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

*Excluding interest accrued but not due

In case of Housing loans, where the loan is not completely disbursed and it is in Pre-EMI stage, the Company has estimated the EMI commencement date based on the internal assessment and other information available as on date. Accordingly, the maturity pattern for such loans has been considered based on the estimated EMI commencement dates.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.7. Exposure

	March 31, 2020	March 31, 2019
1. Exposure to Real Estate Sector		
a) Direct Exposure		
(i) Residential mortgages:		
Lending fully secured mortgages on residential property that is or will be occupied by the borrower or that is rented;		
- Upto 15 Lakhs	79,60,14,954	36,46,64,119
- More than 15 Lakhs	5,41,67,485	3,90,26,673
Total	85,01,82,439	40,36,90,792
(ii) Commercial real estate		
Lending secured mortgage on commercial real estates (office building, retail space, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limit:	-	-
(iii) Investment in Mortgage Backed Securities (MBS) and other securitized exposure:		
- Residential	-	-
- Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	-	-
2. Exposure to Capital Market		
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.8. Details of financing of parent company products

These details are not applicable since the Company is not a subsidiary of any company.

32.9. Details of Single borrower limit/ Group borrower limit exceeded by the HFC:

The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the financial year.

32.10. Unsecured advances - Nil

32.11. Registrations obtained from other financial sector regulators

The Company has not obtained registration from any other financial sector regulator.

32.12. Penalties imposed by NHB and other regulators

Nil

32.13. Related party transactions

As per the Company's policy on Related Party Transactions, all such transactions with related parties are at an arm's length basis and that such credits are clearly identifiable, effectively monitored and appropriate steps are taken to control the quantitative limits or mitigate risks. All transactions with related parties are subject to the approval of the Board of Directors on the recommendation of the Audit Committee including the limits, terms and conditions, if any, imposed thereon. Refer Note 24 for additional details on related party transactions.

32.14. Ratings assigned by Credit Rating agencies: Nil

32.15. Remuneration of Non-executive Directors

	March 31, 2020	March 31, 2019
Ms. Matangi Gowrishankar – Sitting Fees	1,50,000	60,000

32.16. Prior period expenses and changes in accounting policies

During the year, (a) no prior period items occurred which has impact on Statement of Profit and loss, and (b) no change in Accounting policy.

32.17. Revenue recognition

There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

32.18. Accounting Standard 21 – Consolidated Financial Statements (CFS)

The Company does not have any parent company or subsidiary, hence provisions of AS 21 not applicable to the Company.

32.19. Provisions and contingencies

1. Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account

	March 31, 2020	March 31, 2019
a) Provisions for depreciation on investment	-	-
b) Provision made towards income tax	-	-
c) Provision towards NPA	-	-
d) Provision for standard assets	11,51,779	9,93,478
e) Other contingency provision for standard assets	85,01,824	-
f) Others		
Gratuity	7,43,250	4,19,877
Compensated absences	70,697	2,23,403

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.19 Provisions and contingencies (Cont.)

2. Break up of Loans & Advances and Provisions thereon

	Housing		Non-Housing	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Standard assets				
a) Total outstanding amount	81,48,57,168	39,20,65,329	3,53,25,271	1,16,25,463
b) Provisions made	1,01,85,714	9,80,163	4,94,554	46,502
Sub-standard assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful assets-Category I (upto 1 year)				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful assets-Category II (1-3 years)				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful assets-Category III (More than 3 years)				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss assets				
a) Total outstanding amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total outstanding amount	81,48,57,168	39,20,65,329	3,53,25,271	1,16,25,463
b) Provisions made	1,01,85,714	9,80,163	4,94,554	46,502

32.20. Drawdown from Reserves

During the year, no draw down from reserves was done.

32.21. Concentration of Public deposits, Advances, Exposures and NPA's

1. Concentration of Public Deposits

Not applicable, since the Company is a Non-deposit taking HFC.

2. Concentration of Loans and advances

	March 31, 2020	March 31, 2019
Total loan and advances to twenty largest borrowers	3,08,65,274	3,22,70,535
Percentage of Loans and advances to twenty largest borrowers to total advances of the Company	3.63%	7.99%

3. Concentration of all Exposure (including off balance sheet exposure)

	March 31, 2020	March 31, 2019
Total loan and advances to twenty largest borrowers	3,27,95,274	3,48,76,852
Percentage of exposure to twenty largest borrowers to total exposure of the Company on borrowers	3.41%	6.69%

4. Concentration of NPA's

	March 31, 2020	March 31, 2019
Total Exposure to top ten NPA accounts	-	-

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32. Disclosure pursuant to master circular no. NHB(ND)/DRS/REG/MC-07/2019 dated July 1, 2019 issued by NHB (continued)

32.21 Concentration of Public deposits, Advances, Exposures and NPA's (Cont.)

5. Sector-wise NPAs

	March 31, 2020	March 31, 2019
a. Housing Loans:		
Individuals	-	-
Builder/ Project Loans	-	-
Corporates	-	-
Others (specify)	-	-
b. Non-Housing Loans:		
Individuals	-	-
Builder/ Project Loans	-	-
Corporates	-	-
Others (specify)	-	-

32.22. Movement of NPA's

	March 31, 2020	March 31, 2019
(i) Net NPA's to Net Advances (%)	-	-
(ii) Movement of NPA's (Gross)		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
(iii) Movement of Net NPA's		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
(iv) Movement of provisions for NPA's (excluding provisions on standard assets)		
a) Opening balance	-	-
b) Provisions made during the year	-	-
c) Write off/Write back of excess provisions	-	-
d) Closing balance	-	-

32.23. Overseas Assets

The Company does not have any Overseas Assets.

32.24. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

The Company does not have any off-balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

32.25. Disclosure of Complaints

	March 31, 2020	March 31, 2019
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

32.26. Disclosure Pursuant to Policy Circular 92/2018-19 dated February 05, 2019 issue by NHB

The Company has reported the below frauds to NHB reported during the period ended 31 March 2020

	March 31, 2020	March 31, 2019
No. of frauds reported to NHB	-	1
Amount involved in the fraud	-	49,333

33. Disclosure Pursuant to Circular DOR.No.BP.BC.63/21.04.048/2019-20 issued by RBI COVID-19 Regulatory Package - Asset Classification and Provisioning

Particulars	March 31, 2020
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	Nil
(ii) Respective amount where asset classification benefit is extended	Nil
(iii) Provisions made during the Q4FY2020 in terms of paragraph 5;	Nil
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	Nil

34. Assessment of potential impact of COVID-19 pandemic

FY 2019-20 witnessed volatile macro sentiments at domestic as well as global level and ended with the global pandemic of COVID-19 virus. The complete lock down, initiated by the Government, from end of March '20 onwards, as a mitigation strategy to this unprecedented event, has had an adverse impact on Q4 end business operations. Global and national lockdown of more than 2 months which got extended beyond May-20 had an unprecedented impact on overall economy pushing it to the verge of recession. Degrowth is forecasted for emerging economy like India for FY 21.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the Company granted a moratorium of three months on payments of instalments and/ or interest falling due between March 01 2020 and May 31, 2020 ("Moratorium 1.0" all the borrowers). RBI extended the moratorium by another 3 months from Jun 01, 2020 to Aug 31, 2020 ("Moratorium 2.0"). For all such accounts where the moratorium facility has been availed, the repayment schedule and also the residual tenor, will be shifted across the board by actual deferment period, after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period and the revised EMI/PEMI shall be worked out accordingly considering the accumulated interest for the deferred period. The rescheduling of payments, including interest, will not qualify as a default and the number of days past-due shall exclude the moratorium period for the purposes of asset classification. As of March 31, 2020, there was no impact on asset classification due to rescheduling of payments under the moratorium facility.

In addition, the Company has considered the possible effects that may result from the COVID-19 pandemic on carrying amount of its loan assets (which predominantly consist of loan to customers who belong to Low-Income Group (LIG) and Economically Weaker Section (EWS) income segments) and the corresponding credit losses. The Company has made an additional contingency provision of 1% amounting to ₹85,01,824, based on the information available at this point of time including economic forecasts and expected stress in the economy. This is in addition to the provision made as per NHB rules. The Management will continue to monitor the adequacy of the provision for any material changes on a periodic basis. In the event that the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of loan assets and the financial position.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID-19 pandemic in the preparation of financial results. However, the extent of impact of COVID-19 pandemic will depend on future developments, which are highly uncertain, including among other things, the containment of the pandemic and major medical break-through. Given the uncertainty over the potential micro and macro- condition, the impact may be different from that estimated as at the date of approval of these financial results as assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

Notes forming part of financial statements for the period ended March 31, 2020 (Cont.)

(All Amounts are in Indian Rupees)

35. The figures of the previous year have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

As per our report of even date attached
For B S R & Co. LLP
Firm Reg. No. 101248W/W - 100022

For and on behalf of the Board of Directors
Altum Credo Home Finance Private Limited
CIN: U65999PN2016PTC166384

Siddhartha Guha
Partner
Membership No.: 124042

Vikrant Bhagwat
Managing Director
DIN: 06552246

Ganesh Rao
Director
DIN: 02302989

Place: Pune
Date: 22nd Jun 2020
UDIN: 20124042AAAABA3998

Sanjay Tiwari
Chief Financial Officer

Avanti Gulavani
Company Secretary

Place: Pune
Date: June 22, 2020

Altum Credo Home Finance Private Limited

Office No. 801, Deron Heights,
Sr. No.270/1/23, Eighth Floor, on Main Baner Road,
Pune - 411045

Contact: 020-27293153/54

Website: <https://www.altumcredo.com>