

**Altum Credo Home Finance
Private Limited**

**Annual Report
FY2022-23**



03	Corporate Information
04	Message from MD
06	
08	Portfolio Growth and Mix
09	Our Presence
10	Board of Directors
12	Leadership Team
13	Management Discussion & Analysis
19	Board's Report and Annexures
35	Independent Auditors' Report
46	Financial Statements



Corporate Information

Board of Directors

Mr. Himanshu Joshi
Mr. Radhey Shyam Garg
Ms. Matangi Gowrishankar
Ms. Sushma Kaushik
Mr. Vikrant Bhagwat
Mr. Ashish Tewari
Mr. Avishek Addy

Registered Office

CTS No. 1074/1, Plot No. 426/1, Gokhale Road,
Model Colony, Shivajinagar, Pune - 411016

Management Team

- | | |
|---|----------------------|
| - Chief Executive Officer & MD | Mr. Vikrant Bhagwat |
| - Founding Member & Head - Strategy and Corporate Finance | Mr. Sanjay Tiwari |
| - Chief Financial Officer | Mr. Vivek Jain |
| - Chief Business Officer | Mr. Vivek Meharwal |
| - Head of Credit | Mr. Mithun Murugkar |
| - Head of Collections & Recovery | Mr. Rahul Deshmukh |
| - Head of Operations | Mr. Vishwajit Vaidya |
-

Statutory Auditors

M.P. Chitale & Co, Chartered Accountants

Secretarial Auditors

Priya Vishwanathan, Company Secretary

Internal Auditors

BDO India LLP

Our Bankers / Financial Institutions

National Housing Bank	Sundaram Home Finance Limited
State Bank of India	Tata Capital Finance Limited
LIC Housing Finance Limited	Hinduja Housing Finance Limited
RBL Bank Limited	Northern Arc Capital Limited
Federal Bank Limited	Vivriti Capital Private Limited
DCB Bank Limited	AK Capital Limited
AU Small Finance Bank Limited	Unifi Capital AIF
Capital Small Finance Bank Limited	STCI Finance Limited
Utkarsh Small Finance Bank Limited	

Message from MD



Dear Shareholders,

It is with immense pleasure and pride that I present to you the annual report of Altum Credo for the year 2022-23. As I reflect upon our achievements and milestones, I am reminded of though small but profound impact we have made in the lives of individuals and families across India and gives confidence that we continue to do the same on a sustainable basis for years to come.

Affordable housing has long been a pressing challenge in our nation, especially with those millions who are aspiring to own a safe and comfortable home and largely still un/underserved with long term home finance and who are predominantly from LIG/EWS income segment. At Altum, we have taken up the responsibility of bridging this gap by providing accessible and long-term housing finance solutions to those who are still un/underserved. In FY22-23 We have extended our reach, in line with our dig deep strategy and expanded our distribution network which enable us to cater to housing finance demand across geographies. We remained true to our commitment providing long term finance and thereby enabling dream of house ownership into realities.

This annual report encapsulate testament to our unwavering commitment and dedication. They

illustrate the transformative power of affordable housing and the opportunities it creates for individuals to build stable future, sustainable long-term impact on the quality of life, dignity of the household and create cherished memories for generations to come.

Our achievements have been made possible by the collective efforts of a passionate and talented team that believes in our vision. Their commitment to excellence, innovation, and customer-centricity has been the driving force behind our success. I express my heartfelt gratitude to every member of the Altum family for their unwavering support and relentless pursuit of our shared purpose. I would also like to extend my sincere appreciation to our valued customers, partners, and stakeholders who have placed their trust in us. Your unwavering support has enabled in our mission to be partner in facilitating first home ownership to larger section of customers who are still underserved.

Looking ahead, we recognize the immense opportunity and challenges that lie before us. Potential of India's GDP growth in coming decades will lead to multi decade demand in affordable housing finance. It our endeavour to strengthen the organisation for sustainable and impactful growth journey. As we embrace the future, we will continue to innovate, collaborate, and adapt to the changing landscape, ensuring that our solutions remain accessible, sustainable, and impactful.

In conclusion, I invite you to delve into the pages of this annual report highlighting the journey we have undertaken which has laid strong foundation for sustainable growth.

We are committed to empower millions of Indians who largely underserved by providing access to long term home finance and to find solace, security, and pride in their first home ownership.

On a path towards sustainable growth!

₹467cr

Assets under management

7,056

Customers

92%

EWS/LIG Customers

95%

1st home buyers

35%

New to Credit Customers

100%

Retail Portfolio

6,660

Women Borrowers

44% / 56%

**Salaried / Self Employed
Customers**

Home ownership still remains by far the most cherished aspiration for a large section of our countrymen who predominantly belongs to LIG/EWS customer segment.

Realising the ambitions and dreams of our customers who are still largely remain un/under-served when it comes to long term home finance. We have constantly reiterated our commitment and iron-clad focus of facilitating home ownership by providing long term home finance enabling EMI affordability, supported by Tech assisted convenient and best-in-class service promoting social economic equality.



Sound Foundation for Sustainable Growth

Forward-looking Tech enabled Digital Platform
Cashless transactions
100% digital

Tech-led

Long- tenure debt franchise (min 5 years) from 17 lenders leading to sound ALM

Liquidity Profile

100% Retail HL book
90% + First time Home buyers
LTV<50 %

Asset Quality

Seasoned Founding Team supported by Experienced functional leadership

Leadership Team

Maintained Adequate Capitalisation

Our Journey

2018

Commencement of business from H2 FY2018 with “**Zero Cash Transactions**” across the loan life cycle. Adoption of Integrated SAAS cloud-based Tech platform for loan life cycle processing.

Series A Equity funding of ₹64cr

2019

Distribution network in 3 states of MH, KA & TN.

Initiating liability franchise with leading NBFCs and Bank with 5 + year tenure.

Further Balance sheet capitalisation via rights issuance

Beginning of measured growth phase

2020

Post Covid-19, manpower capacity augmentation across Southern states; on-boarding of leadership team across functions.

AUM crossed ₹100cr

2021

Entry into states of AP, TS and RJ.

Helped 2000+ families to realise their dream of own house.

CARE Edge Rating BBB-

Secured Series B Equity of ₹88cr in Nov '21. Net worth at ₹225cr

2022

Expansion of branch network across 6 states to 50

Diversified lending mix. Increase mix of NHB Refinance.

CARE Edge Rating BBB (Stable)

AUM crossed ₹250cr as of March '22

Enhancement of Tech platform enriching process digitisation.

2023

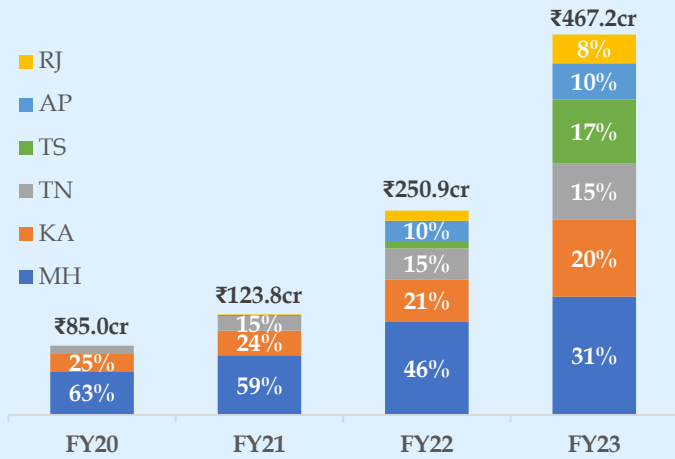
End of March 23, Customer base of 7000+. **AUM @ ₹460+cr**

Further Diversification of liability mix supported by 17 lending partners.

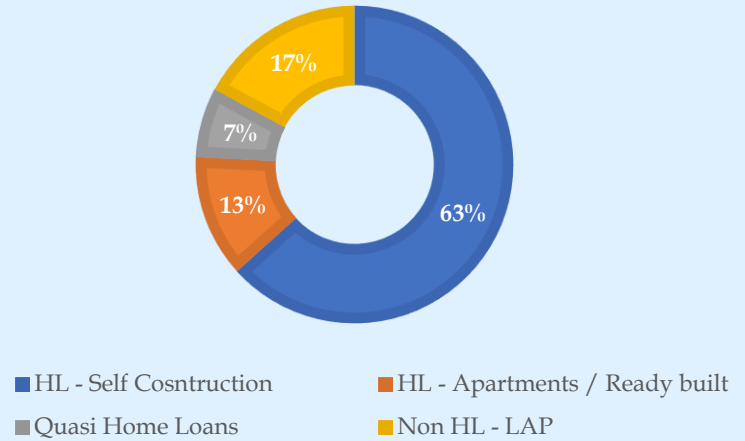
Sound ALM foundation with avg. tenor 5+ years. Total Debt sanctions ₹450cr

Portfolio Growth and Mix

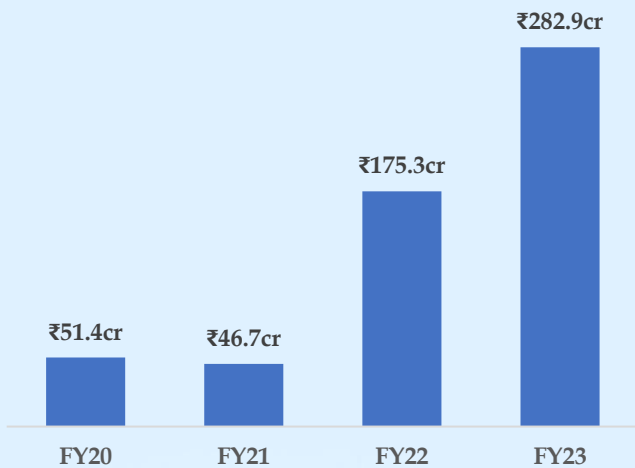
State wise AUM mix



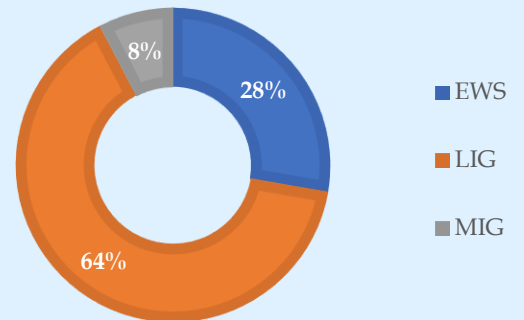
Product mix



Yearly Gross Disbursals

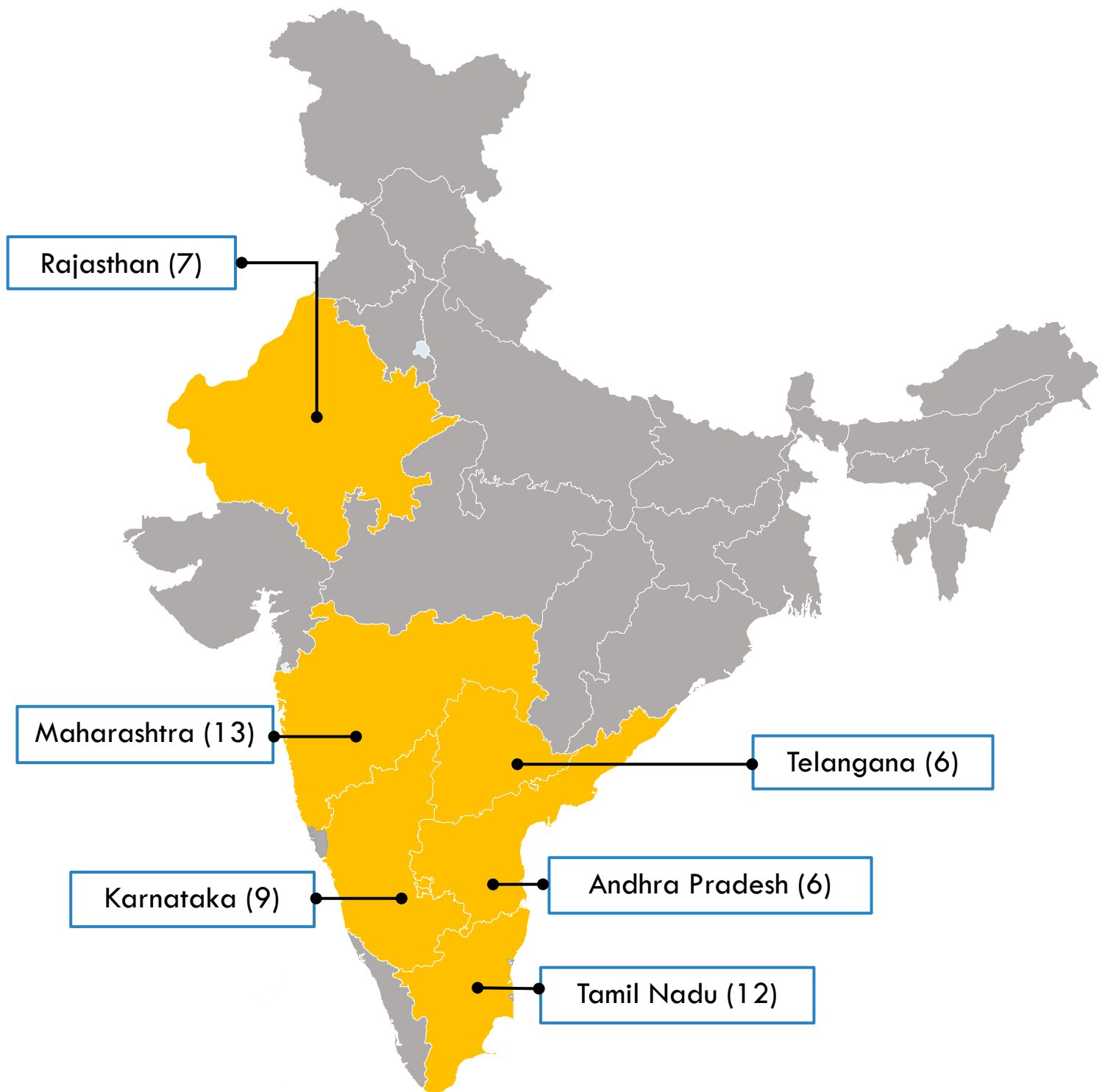


Customer mix



Diversified distribution network

53 Branches across 6 States



Note: Figure in brackets represent number of branches

Our Board



Himanshu Joshi

Independent Director

Mr. Himanshu Joshi has over 4 decades of hands-on banking experience across India and retired as the Executive Director for Oriental bank of Commerce (now Punjab National Bank (PNB)) in 2018. He served as the General Manager of PNB, he headed the treasury department of the Bank and also headed MP and Chhattisgarh States as part of his GM tenure with PNB. He was also appointed as the Chief Compliance Officer of PNB, conceived the idea to strengthen compliance culture of bank and spearheaded the job of creation of robust compliance infrastructure. He holds a graduate degree in Commerce and is a Certified Associate at the Indian Institute of Banking and Finance (CAIIB).



Mr. Radhey Shyam Garg

Independent Director

Mr, Radhey Shyam Garg has over 40 years of long experience in the field of housing and housing finance. He worked as law officer with IDBI till Feb '89. On establishment of National Housing Bank in 1989, joined as Manager and held several key positions and rose to become its Executive Director in Nov '11 and superannuated in Apr '17. He has made significant contribution in various areas for the growth of housing and housing finance in the country. He is also a practicing Advocate at Delhi High Court and corporate consultant in NBFCs/HFCs regulation and mortgage finance.



Ms. Matangi Gowrishankar

Independent Director

Ms. Matangi Gowrishankar 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 Post Graduate in Personnel Management & Industrial Relations from XLRI and has attended strategic Human Resources programmes at Harvard and by Cornell. She is a Certified Coach (Neuro-leadership Group), SHL Certified Assessment Centre Specialist and Certified Facilitator & SATE Practitioner from IBM Skillbase.



Mr. Vikrant Bhagwat

Managing Director and Chief Executive Officer

Promoter and founder of the Company. He brings in more than 25+ years of experience in financial services specialising in retail asset lending across products and instrumental in scaling businesses pan-India with leading NBFCs and Banks. In his earlier professional stint, he was part of leadership team and Business Head for Suryoday Small Finance Bank. Played key role in bank roll project. In addition, he has had enriching experience with DCB Bank, Chola Group and HDFC bank.

Our Board



Mr. Ashish Tewari

Non-Executive Promotor Director

Mr. Ashish Tewari is a Non-Executive Promoter Director and one of the founders of the Company. A Successful entrepreneur, he co-founded Fusion Micro Finance in the year 2009 and served as Director – COO 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. He has founded Tweedle Technologies, a solution providing Employee Engagement Solutions to the organizations to fight climate change.



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 19 years of diverse experience in the field of early-stage investing, small business incubation and consulting across sectors. She has been an active representative on the Boards of several early-growth stage companies. She started off with an entrepreneurial venture in engineering design services and moved on to roles in investments. She is an alumnus of Harvard Business School, Indian School of Business and an engineering graduate.



Mr. Avishek Addy

Non-Executive Additional Director

Avishek is a member of the core investment team of Amicus Capital with a focus on investment in the financial services sector. He has over 15 years of experience of which 10 years have been in private equity and buy-side advisory. Prior to joining Amicus Capital in 2016, he has worked across multiple organizations including Faering Capital, Ernst & Young, and Oil and Natural Gas Corporation Limited. He has strong academic credentials with a post-graduate degree in management from the Indian Institute of Management (Ahmedabad), a Rank Holder in CA (Final) and CA (Foundation) exams.



Mr. Mahesh Parasuraman

Board Observer

Mr. Mahesh is a co-founder & serves as Partner at Amicus Capital India. Prior to co-founding Amicus Capital, Mahesh was a Managing Director in the Asia Growth Capital team of The Carlyle Group based in Mumbai. During his ten plus years at Carlyle, Mahesh led investments across sectors such as technology, financial services and consumer. Before joining Carlyle, Mahesh worked with EY and Arthur Anderson. Mahesh received his bachelor's Degree in Commerce from Bangalore University. He is a Chartered Accountant and Cost Accountant.

Leadership Team



Mr. Sanjay Tiwari

Founding Member and Head – Strategy & Corporate Finance

Sanjay is the founding team member along with our MD & CEO, Mr. Vikrant Bhagwat. He held position of CFO until August 2022. He is a qualified Chartered Accountant with over more than 20 years of experience in areas of corporate finance, business planning & strategy, treasury management & regulatory compliance. A passionate professional proficient in early-stage business roll-out from the inception stage including an entrepreneurial start-up stint. Prior to Altum Credo he was CFO of Suryoday Micro Finance and played a key role in equity & debt fund raise and was instrumental in formulation of the business strategy for small finance bank licence project. He began his professional career with ABN Amro Bank.



Mr. Vivek Jain

Chief Financial Officer

Vivek is a qualified Chartered Accountant and Company Secretary with over 14 years' experience in Financial Reporting, Controls, & FP&A, Fund raising with expertise in managing the nuances of an early stage/start-up companies. Previous to Altum Credo, he co-founded a backpacking travel startup – Backpacker Panda, heading the finance vertical. Prior to that, he worked with Credit Suisse as a finance controller and briefly with Ernst and Young. He has been associated with Altum Credo Home Finance since Oct 2018 heading the F&A function.



Vivek Meharwal

Chief Business Officer

A proactive leader and mortgage specialist with over 20 years of rich experience spread across Affordable Home Loans, Education Infra loan (EIL), Business Loans, Construction Finance, Structured Finance, Portfolio Management and Strategic planning. Vivek has also been instrumental in setting up the direct and indirect business revenue model with profitable responsibilities. At Avanse, he was part of the core founding team and responsible for setting up the business operations while at Religare Home Loans he was in charge for setting up the entire Sales, Distribution and Collection model pan-India. He has previously worked with GE and ICICI Home Finance. He has been associated with Altum Credo Home Finance since Dec 2020.

Management Discussion & Analysis

Indian Economy Overview

India stepped into FY22-23 on a recovery mode leaving behind the under currents of the post pandemic era. While the recovery turned broad-based and domestic demand returned fast, especially for contract-based services. However, there were fresh headwinds with respect to inflation and slowdown of global growth amidst uncertain macroeconomic environment.

Inflation emerged as a key global challenge in the backdrop of surge in energy prices, food and non-food commodities, coupled with the lingering effect of Russia's invasion of Ukraine. Along with this, China opted for a lockdown of its cities to rein in the spread of Covid-19 leading to further disruption in global supply chains and rising freight costs. To rein in rising inflation rates, central banks across the world adopted monetary tightening viz., raising interest rates and curbing liquidity. US Federal Reserve raised interest rates 10 times in 14 months to 5.25%, the highest level in 16 years in its battle to stabilize prices. Similarly, the European Central Bank also raised rates for the first time in 11 years.

In the domestic space retail inflation remained above Reserve Bank of India's (RBI) upper tolerability level of 6.0% for most part of the year. RBI had also been increasing rates since May 2022 with an aggregate increase of 250 basis points to restraint inflationary trends with some respite witnessed in March 2023 as retail inflation fell to 15-month low at 5.66%. In April 2023, the Monetary Policy Committee (MPC) of the RBI had kept the repo rate unchanged to 6.5%, while keeping its stance on withdrawal of accommodation maintained.

India's GDP registered a double-digit growth of 13.5% in Q1 FY22-23 however the growth in subsequent quarters was a bit subdued with multiple downward revisions in the growth estimates. Nevertheless, India will still retain its tag as one of the fastest growing major global economies with GDP growth rate for FY23-24 forecasted at 6.5%. The Indian economy has proven to be remarkably resilient in the face of the deteriorating global situation due to the strong macroeconomic fundamentals that place it well ahead of other emerging market economies. With central government push in infrastructure

spending and roll out of large project will support GDP growth.

Housing Finance Industry Overview

The Indian housing finance sector recovered at a fast pace in FY22-23 witnessing robust demand. A rise in economic activities, pent-up demand and coupled with the organic demand for housing, has resulted in optimistic projections for the Indian housing finance sector post the pandemic. The demand was also fuelled by the policy emphasis on low cost and affordable housing. As a result, the segment saw good traction and is expected to provide a much-needed impetus to the overall industry.

FY22-23 witnessed robust growth among affordable housing finance company ("AHFC") sector. As per ICRA's report, loan book of affordable housing segment registered a strong YoY growth of 25% although their overall share in housing finance industry remains small which is estimated at approx. 6%. Nevertheless, the underpenetrated market and Government thrust on 'housing for all' are likely to support growth, going forward as well.

ICRA in its report further stated that the asset quality recovery continued in Q1 FY22-23 for the housing finance industry and the gross non-performing assets (GNPAs) declined by 6 basis points (bps) to 3.1 per cent as on 30 June 2022, from 3.2 per cent as on March 31, 2022, due to increase in the on-book portfolio and recovery in the non-housing segment of some large HFCs. The decline in the GNPAs was in line with ICRA's estimate of 2.7-3.0 per cent as on March 31, 2023.

The asset quality for affordable housing finance improved as the effect of the Covid-19 pandemic started waning and collections returned to normalcy. RBI's notification providing clarification on the income recognition and asset classification (IRAC) norms had led to HFCs reporting an increase in the GNPAs in Q3 FY 22-23. However, RBI extended the applicability of the same to October 1, 2022, which allowed for smoother adoption of the same.

Our country consists of a young population, which is capable and more eager to own their first homes while Tier II and Tier III cities shall be growth drives in coming years. This potential housing

demand, especially, affordable housing is expected to witness multidecade growth due to large under penetration specially in these Tier II to tier III cities and thus, the sustainable growth potential of this sector.

Altum Credo: Overview

Altum Credo, right from inception, has focused on providing home loans to first time home buyers belonging to unserved and underserved customer segments viz. Low-Income Group (LIG) and Economically Weaker Section (EWS). Geographical focus being Tier II and Tier III towns with vibrant sustainable economic activities. More than 90% of customers belong to LIG and EWS income segments.

Altum Credo's customer base consists of a healthy mix of salaried customers (both formal and informal segments) and self-employed proprietors of small and medium enterprises who predominantly belong to Low-income group. These customers aspire to own a home but most have little or no access to affordable credit when comes to home finance and largely remained un/underserved by large financial institution. This arises from challenges in conventional underwriting faced by large institutional owing to customers belonging to informal sector and there by lack of adequate formal documents to substantiate the income though has sustainable cash flows. Low loan ticket size also makes such loan operationally unviable for large institutions. Lack of long-term finance makes EMI unaffordable to such customers. Altum Credo aims to bridge this gap by providing long term finance (making EMI affordable) via technology assisted service delivery with unwavering service commitment of being Simple, Convenient and Relevant. It provides loans to Low-income customer segments who are new to long term credit, self-employed, cash salaried category where formal income documents mostly not available. The repayment capacity of such households is appraised based on assessment of cash flows and Internal risk-based pricing.

Most of Altum Credo's customers are constructing a house on their own land or buying their small first home. In FY22-23, the average ticket size of the home loan portfolio is at ₹8.5 lakhs with an average tenure of 15 years. With Loan to Value ratio below 50%, the average value of the properties funded is around ₹15-₹25 lakhs.

Business Presence

Altum Credo currently has well diversified business operations and operates in six states – Maharashtra, Karnataka, Tamil Nadu, Rajasthan, Telangana and Andhra Pradesh. Post Series B Equity Funding in November '21; we progressively expanded our operations in the existing states taking the branch count from 30 branches to 53 branches as of March 31, 2023. The majority of new branches are in the states of Telangana, Andhra Pradesh and Rajasthan. With expansion in these states, we have well diversified our loan book and have built up a strong presence outside the home state of Maharashtra whose share in the total AUM stands at 31% (as on March 31, 2023 vs 63% as on March 31, 2020) – the rest being fairly diversified across the other states with a strong presence in South India.

Portfolio Performance

Altum Credo has registered a strong loan book growth of 86% in FY22-23 with AUM at ₹467cr as of March 31, 2023 with strategic focus was on building productivity and near equal mix of portfolio across our geography. In H2 FY22-23 we ramped up month-on-month average disbursement capacity to ₹30cr+ with equal mix across states. In line with industry trend, the disbursements picked up pace and peaked in Q4 with gross disbursements of ₹79cr in the quarter. We have total Gross AUM of ₹540cr for FY22-23 vs ₹313cr for FY21-22.

Considering financial stress caused by pandemic to our customer segment (LIG/EWS), management has conservatively provided for additional contingency provisioning – this has greatly helped in cushioning the adverse impact that may have caused by pandemic event. Taking into account customers predominantly belonging to EWS/LIG segment; Company, as part of prudent accounting policy, provides provisioning of 0.40% (as opposed to the RBI norm of 0.25%) on the standard home loan assets beginning from current financial year. FY22-23 Gross NPAs (as % of AUM) were at 0.59% vs 0.67% for FY21-22. The total NPAs as on March 31, 2023 were ₹2.67cr against which the Company carries a provision of ₹0.44cr. The Provision Coverage Ratio for NPA loans stands at 69%. In addition, as of March 31, 2023, the COVID-19 contingency overlay provision stands at ₹1.41cr. While, company had a smooth transition to implement RBI's notification providing

clarification on the income recognition and asset classification on upgradation of NPA accounts.

On the restructured portfolio where borrowers were given EMI moratorium as per RBI's "Resolution Framework 1.0" and "Resolution Framework 2.0" for Covid-19, remained stable. Total 115 loan accounts amounting to ₹8.09cr were restructured in the previous two years. 25-odd accounts (Loan outstanding of ₹2.2cr) had become non-performing in the current year as these borrowers could not recover from the Covid-19 induced severe income stress.

As the effect of pandemic on the economy has diminished over time, we have witnessed accelerating pace of recovery in the overdue accounts wherein the priority has been to arrest the roll-forward to next overdue bucket and then roll-back over a period of time.

The stable asset quality of the Company reemphasizes the robust systems and processes in originating and underwriting of loan proposals supported by robust collections and legal process. Collection efficiency is stable at 98.5% pan-India as on Mar'23 which is near to pre-Covid levels. The Collection and Legal team have been further strengthened with 30+ member in-house collection team. RBI vide its notification in Jun '21 had allowed HFCs with asset base of more than ₹100cr to take recourse and initiate recovery of overdue loans under the SARFAESI, Act. During the year, the Company has strengthened its collection-legal function with recovery of almost 40-odd cases driven on account of actions taken under SARFAESI.

Funding

In business model of any HFC there is an inherent ALM mismatch. To mitigate consequent risk, since inception Altum Credo's has maintained adequate capitalisation and longer tenure of liability with minimum being 5 years. 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. In November '21, we completed Series B Equity funding of ₹88cr. Net worth at end of FY22-23 is ₹225cr. To support medium term growth company intends to strengthen the balance sheet with planned Series C Equity Funding should be completed by H1 FY23-24 taking capital base to upwards of ₹450cr. Such

adequate capitalisation has undoubtedly laid a strong foundation for future growth. Fresh round of capital infusion does signify investor's confidence in the growth potential of Altum Credo and HFC industry as a whole. With adequate backing of equity, the Company will effectively leverage balance sheet and maintain sound ALM on sustainable basis. This will lead to strong foundation for our growth journey and navigate effectively through challenging economic environment if may arise.

On account of adequate capitalisation, Company has laid strong foundation for sound ALM by maintain average maturity of borrowing to 5 years and more. In FY22-23 new term loan relationships with banks, NBFCs were established with the total lending partners to 17 as of March 31, 2023 as compared to 7 in the previous year. FY22-23 witnessed increase in share of private banks (Federal, DCB, Capital SFB, Utkarsh SFB) with additional exposure by NHB, SBI, and RBL. During the year, Company also concluded its first private placement of non-convertible debentures to further diversify the lending mix. During the year, Company raised fresh debt of ₹232cr. Total sanction aggregating to ₹440cr and debt outstanding ₹305cr as at March 31, 2023.

Altum Credo's business model is it provides home loan with longer tenure of 15- 20 years. The average tenure for housing loan in the industry is 10 years. With this in the background, borrowing policy has always been prudent to secure long term funding with a minimum tenure of 5 years to mitigate the inherent asset liability mismatch in short to medium term buckets. Funding from National Housing Bank State Bank of India, LIC Housing Finance apart from diversification in debt mix, has led to a strong foundation for sound ALM with longer tenure loans (7 years). Altum Credo's key business focus to provide home loan for self-construction of home where in disbursements are done in tranches and as part of the prudent liquidity management, we earmark available funds for these committed undisbursed portions of the loans before allocation to new business while maintaining sufficient margin of safety to meet any short-term liquidity requirements. Facilities such as Cash Credit facility and OD facilities have ensured availability of short-term funding lines.

Benchmark rates which had unprecedentedly bottomed out due Covid-19 increased with RBI

hiking the Repo Rate from 4% to 6.5%. This increased our borrowing costs from 9.7% to 11% in FY22-23 which mostly came into effect in H2 FY22-23. Estimated borrowing costs for FY24 to remain at similar level of 11%.

As of March 31, 2023, Company carries a sufficient liquidity with ₹65cr of undrawn sanctions while current funds, along with debt pipeline from existing lenders are sufficient to meet fund requirement for H1 FY23-24.

Credit Rating

During the FY22-23, Altum Credo's credit rating was upgraded from BBB- to BBB by CARE Edge.

Regulatory Changes

Asset classification guidelines have been revised by RBI – loan accounts can be upgraded to 'standard' from NPA only if all the arrears of interest and principal are paid by the borrower. RBI has extended the applicability of these timelines to September 30, 2022.

RBI revises regulatory framework for Housing Finance Companies: In Oct '20, RBI had prescribed a glide path to achieve the Principal Business Criteria whereby HFCs should constitute at least 55% of total assets towards housing finance and 45% of total assets towards housing finance for individuals by Mar '23; increasing this requirement to 60% and 50% by Mar '24. It also prescribed HFCs to have a minimum net owned fund of ₹20cr by Mar '23.

The company is in compliance with stated recent key regulatory changes w.r.t principal business criteria and net owned funds, since its strategy has been focused on building up retail housing loan book predominantly funded by equity capital.

Technology and Digitisation

Technology has been key building blocks since inception for Altum Credo. The company has been successful in building technology assisted business model. In line with its goal of building digitally assisted service delivery model, it has given a huge thrust to adoption and enrichment of technology across functions. It has endeavoured to build an efficient digitally oriented service delivery model to improve productivity and also provide enriched end-customer experience with cloud-based technology being adopted across functions. These

technology platforms also ensure a system driven control process and compliance. Integrated lifecycle of customer, workflow-based system – with Mobility, Loan Origination System (LOS), Loan Management and Accounting (LMS) and MIS Modules has enhanced the service delivery across channels assisted by Mobile App and Centralized Call Centre.

In line with our long-term strategy in FY22-23, tech stack was upgraded by migrating to new LOS and LMS platform enriched with multiple APIs integration, new age omnichannel functionality enabling more digitisation of data input, better process control, and enhanced efficiency. Two new vendors were on-boarded providing mobility integrated LOS and LMS and successfully migrated to new platforms at end of Q3. New platform has improved go-no-go capabilities at field level, increased capacity to process files with host of integrations reducing manual input leading to better TAT and conversion ratio.

Since inception Altum Credo as followed 'no-cash' policy and has emphasized on digital payments with 100% cashless transactions. 90% of the collection is done through NPCI's NACH facility. In addition, it provides multiple payment options to its customers through its online payment system launched with payment gateways such as Razorpay as well as through UPI enabled applications such as GooglePay, PhonePay etc.

The Company as part of its technology roadmap have lined up several additional digital initiatives for FY23-24 which is expected to further improve digitisation of process, customer on-boarding experience, efficiency and controls, effective collection management and enhance customer service.

Human Resource

At Altum Credo, lot of importance is placed on the human capital, be it recruitment of quality staff, induction, training and overall growth of employees. The Company strongly believes that its competitive advantage comes from its people. The Company is devoted to attracting and maintaining talent, which is critical to attaining its objectives. It was also granted a 'Great Place to Work' certification for its efforts to build a performance-driven and people-centric organisation. The Company is committed to attracting the best talent and providing them with equitable opportunities

for professional progress by catering to their aptitude, goals, and aspirations.

During the year under review, the regional leadership across the states has been strengthened. To enhance the field level staff retention, the Company has constantly focused on induction and on-job training to enable them to have a better understanding of the company, its culture and business and align their performance in line with organization goals.

The Company strives to provide equitable work opportunities for all its employees and promote workplace diversity while taking appropriate actions to improve employee satisfaction and engagement. The total number of employees increased from 372 in the previous year to 506 as on March 31, 2023. While the percentage of female employees in non-field roles increased from 25% in FY21-22 to 30% in FY22-23.

Risk Management

Company has a robust Risk Management Policy which is essential in identifying and managing key risks that could affect the business such as credit, liquidity, interest rate, and operational risks. The Risk management framework seeks to lay down the broad contours under which risks would be managed and controlled. The Company follows the best practice for management of credit risk, market risk and operational risk and has put in place a comprehensive Risk Management Policy envisaging a robust risk management programme.

Internal Capital Adequacy Assessment Process ("ICAAP")

The Company has a structured management framework in the Internal Capital Adequacy Assessment Process (ICAAP) to identify, assess and manage all risks that may have a material adverse impact on the business/financial position/capital adequacy. The ICAAP framework is guided by the Board approved ICAAP Policy.

Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Company's risk profile and capital position.

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.

Reputed external firm has conducted internal audit for FY22-23 while the in-house internal audit team is being strengthened which further aid in our constant endeavour to improve our policies and processes. Technology has played a key role to build inherent controls in the key processes. The entire life cycle of the customer from Application Fees, Credit Assessment, Processing Fees Payment, Disbursements and Post disbursement life cycle is based on rule- based accounting ensuring the systems i.e. LOS, LMS, Accounting GL and MIS are able to pick the data on real time basis independently without any manual intervention.

In the opinion of Board, there are no elements of risks threatening the existence of the Company and with the checks being in place and effective control via technology a great foundation has been built for carrying the same forward as well.

Financial Performance

This was consecutive fourth year when Altum Credo had achieved profitability post commencement of business. Key elements of Financial Results are as follows:

- From ₹33.2cr (FY21-22) to ₹67.3cr (FY22-23) Company's revenue increased grew by 103% YoY majorly contributed by self-construction home loans.
- Altum Credo ended FY22-23 with a profit after tax of ₹8.9cr vs ₹4.6cr in the previous year.
- Loan outstanding for the year ending 2022-23 grew by 86% compared to previous year.
- Debt to Equity ratio at 1.30x.

- Customer base increased to 7,056 customers from 4,008 in previous year

Outlook of the Company

Demand for affordable housing expected to stay healthy, mainly attributed by shortage in urban housing, young demographic profile, shift towards nuclear families and rapid urbanisation. Limited supply in low cost and affordable housing segments, largely being catered to by government undertakings or smaller and unorganised developers, has resulted in an acute shortage of housing in this segment. Various fiscal incentives to homebuyers targeted towards the affordable housing segment are expected to further augment demand and the long-term story of affordable housing remains intact in spite of last few difficult years. Low mortgage penetration, increased early-stage home ownership and growing aspirations of the low-income group segment have added to the tremendous opportunities in this sector.

As per recent CRISIL report, home loans will be the fastest-growing segment, as lenders continue to be selective in the non-housing segment (comprising wholesale and LAP loans). After relatively low growth in recent years, the home loan segment is expected to clock 12-14% CAGR over fiscals 2023 and 2024. This will be driven by improving sales, better affordability, and a preference for home ownership and larger homes.

With capacity building of its branch network in H1 FY22-23 Altum Credo has picked up business momentum in FY23 and has all building blocks in place for sustainable business growth in FY24. With presence in six states, we estimate almost equal contribution from all states reaching a ₹40cr capacity for FY24. Sound business principles, best practices and comprehensive adoption of digital platform has enabled cost-effective service and scalability to service low-income group segment which largely remained excluded from long term affordable finance.

Altum Credo's strength lies in its business operations fully operational on cloud based integrated digital platform, strong capital base, minimal leverage and positive cumulative ALM in time buckets up to 1 year has strengthened its balance sheet to weather successfully the recent past crises and be ready for sustainable growth. Although there are certain headwinds in the form of higher inflation and rising interest rates; with

gradual improvement in economic conditions, FY24 outlook appears positive and the Company well-equipped to sustain its growth momentum.

With different pieces of our strategic approach firmly in place, we've entered this year with even more passion and vigour to achieve our vision. We look forward to working further on the many initiatives to deliver the best services with improved productivity, efficiency in TAT and outstanding customer experience along with increase in business productivity from existing infrastructure with equal focus on maintaining the asset quality, improving the operating leverage and liability mix.

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.

Board's Report

Your directors have pleasure in presenting the Sixth Annual report together with the audited accounts of the Company for the financial year ended March 31, 2023.

1. Financial Highlights

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from Operations	6,728.99	3,321.08
Other income	499.71	322.08
Total Income	7,228.70	3,643.16
Less: Expenditure including depreciation	6,042.18	3,036.58
Profit before taxation	1,186.52	606.58
Profit after taxation	895.69	446.66
Asset under management	46,714.94	12,384.50

2. Information on the state of affairs and operations of the Company

During the year under report, the Company earned a total income of ₹7,228.70 lakhs as compared to ₹3,643.16 lakhs during previous year. The Company has reported profit to the tune of ₹895.69 lakhs as compared to ₹446.66 lakh during previous year.

For the year under report the net worth stands at ₹ 23,496.24 lakhs.

3. Change in Nature of Business

There is no change in the business of Company.

4. Details of Subsidiaries, Joint Ventures or Associate Companies

The Company does not have any Subsidiary, Joint Venture or Associate Company as on March 31, 2023.

5. Transfer to Reserves

As per Section 29C (i) of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred ₹179.14 lakhs (previous year ₹89.37 lakhs) to special reserve in accordance with Section 29C(i) of National Housing Bank Act, 1987 read along with Section 36(1)(viii) of the Income Tax Act, 1961.

6. Dividend

Directors do not recommend any dividend for the year under review.

7. Internal Financial Control

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

8. Material Changes and Commitments

There are no material changes and commitments between March 31, 2023 and the date of this report having an adverse bearing on the financial position of the Company.

9. Regulatory Guidelines

Altum Credo continues to comply with the guidelines issued by NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, KYC guidelines and AML standards and Fair Practices Code. Capital Adequacy ratio of Altum Credo stood at 81.31% as against the minimum statutory requirement of 15%.

10. Statutory Auditors

The Board at its meeting held on June 09, 2023 recommended the re-appointment of M/s M.P Chitale & Co., Chartered Accountants, Pune, as the Statutory Auditors of the Company for a term of five years to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2027 which was approved by the Shareholders of the Company at the 6th Annual General meeting of the Company held on July 11, 2022. Thus, M/s M.P Chitale & Co., Chartered Accountants, Pune, continue to hold office of the statutory auditors of the Company.

11. Auditor's Report

The Report given by the Statutory Auditors on the audited financial statements of the Company for the financial year ended March 31, 2023 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report.

Mr. Sanat Chitale, Partner, M/s. M.P Chitale & Co. has signed the Audited Financial Statements for the financial year ended March 31, 2023 of the Company.

12. Secretarial Audit

The Company in its Board meeting held on March 10, 2023 appointed Ms. Priya Vishwanathan, Practicing Company Secretary, Mumbai as the Secretarial Auditor of the Company for conducting the Secretarial Audit the F.Y 2022-23. The said Secretarial Audit Report enclosed as **Annexure-C** to this Board Report does not contain any qualifications or reservations by the Secretarial Auditor.

13. Particulars of Employees and Related Disclosures

Disclosures related to Particulars required under Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company, being a private limited company.

14. Directors and Key Managerial Personnel

During the year under review, there were changes in the composition of the Board as mentioned below:

- The Board appointed Mr. Radhey Shyam Garg as an additional Independent Director w.e.f. August 11, 2022 till the conclusion of the ensuing Annual General Meeting.
- Mr. Subit Saurav tendered his resignation and ceased from the Directorship of the Company w.e.f. November 25, 2022.

The Board has recommended to the members in the ensuing Annual General Meeting to confirm the appointments of Mr. Radhey Shyam Garg as an Independent Director for a period of five consecutive years w.e.f. August 11, 2022 up to August 10, 2027.

Pursuant to the 'Fit and Proper' Policy adopted by the Company under The Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016, the Company has received the 'Fit and Proper' declarations from Directors along with other Disclosures including Independency Declarations. Further, the Company has also obtained signed Deed of Covenants from the newly appointed Directors.

Thus, as on March 31, 2023, the Board of your Company consists of the following Directors:

- | | |
|------------------------------|-----------------------------------|
| 1. Mr. Vikrant Bhagwat | - Managing Director & CEO |
| 2. Mr. Himanshu Joshi | - Independent Director |
| 3. Mrs. Matangi Gowrishankar | - Independent Director |
| 4. Mr. Radhey Shyam Garg | - Independent Director |
| 5. Mr. Ashish Tewari | - Non-Executive Promoter Director |
| 6. Mrs. Sushma Kaushik | - Non-Executive Nominee Director |
| 7. Mr. Avishek Addy | - Non-Executive Nominee Director |

Also, during the year under review, Mr. Sanjay Tiwari stepped down as the Chief Financial Officer of the Company and was appointed as the Head-Corporate Finance & Strategy w.e.f August 11, 2022. Further, Mr. Vivek Jain was appointed as the Chief Financial Officer of the company w.e.f August 11, 2022.

15. Declaration from Independent Director

The Company has received declarations from all the Independent Directors to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. As per the notification issued by the Ministry of Corporate Affairs, the Independent Directors have included their name in the data bank maintained for the purpose. Also, as per provisions of Clause VII of Schedule IV to the Companies Act, separate meeting of Independent Directors held once during the year under review where non independent directors and other members of management did not take part.

16. Share Capital

a) Authorised Share Capital

During the Financial Year under review, there were no changes in the Authorised Share Capital of the Company. The Authorised share capital of the Company as at March 31, 2023 stands at Rs.1,06,35,00,000/- divided into:

- (i) 6,25,98,927 Equity Shares of Rs. 10/- each aggregating to Rs. 6,25,98,9270/-,
- (ii) 2,05,51,073 Series A Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each aggregating to Rs. 20,75,10,730/-, and
- (iii) 2,30,00,000 Series B Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each aggregating to Rs. 23,00,00,000/-.
- (iv) 2,00,000 Series M Compulsory Convertible Cumulative Preference Shares of Rs. 10/- each aggregating to Rs. 20,00,000/-.

b) Issued and paid-up share capital

i) Equity Shares

The Issued and Paid-Up Equity Share Capital of the Company increased from Rs. 44,17,33,060/- to Rs. 44,20,14,310/- as at March 31, 2023 and stands divided into 4,42,01,431 Equity Shares of Rs. 10/- each.

ii) Compulsory Convertible Cumulative Preference Shares

The Company during the year under review, issued 2,00,000 Series M preference shares of Rs. 10/- each amounting to Rs.20,00,000/- .

The issued and paid-up preference share capital of the Company increased from Rs. 36,16,24,070/ to Rs. 36,36,24,070/- as at March 31, 2023 and stands divided into Series A CCPS -1,40,84,407, Series B CCPS- 2,20,78,000 and Series M CCPS 2,00,000 of Rs. 10/- each.

17. Refinance from National Housing Bank (NHB)

During the Financial Year under review, NHB sanctioned Rs. 30 crores under NHB's refinance assistance to the Company.

18. Alteration of Memorandum of Association

There were no alterations in the Memorandum of Association of the Company during the period under review.

19. Credit Rating

CARE has upgraded the rating to "CARE BBB; Outlook 'Stable' from earlier "CARE BBB -; Outlook 'Positive' to the Long Term Bank Facilities of the Company.

20. Number of Board Meetings held

A calendar of Meetings is prepared and circulated in advance to the Directors. Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

During the year under review **6 (Six) Board Meetings** were convened and held i.e. on (i) June 10, 2022, (ii) August 02, 2022, (iii) August 11, 2022, (iv) November 25, 2022, (vi) January 30, 2023 and (viii) March 10, 2023.

The requisite quorum was present at the respective meetings of the Board. The attendance of the Directors at the Board Meetings is as under:

#	Name of Directors	Designation/ Category	No. of Meetings for which entitled to Attend	No. of Meetings Attended
1	Mr. Vikrant Bhagwat	Managing Director/CEO	6	6
2	Ms. Matangi Gowrishankar	Independent Director	6	5
3	Mr. Himanshu Joshi	Independent Director	6	6
4	Mr. Ashish Tewari	Director	6	5
5	Mr. Subit Saurav#	Nominee Director	4	4
6	Ms. Sushma Kaushik	Nominee Director	6	6
7	Mr. Avishek Addy	Non-Executive Director	6	6
8	Mr. Radhey Shyam Garg*	Independent Director	3	3

* Mr. Radhey Shyam Garg has been appointed as a Non-Executive Independent Director of the Company w.e.f. August 11, 2022.

Mr. Subit Saurav ceased to be the Director of the Company w.e.f. November 25, 2022.

21. Board Committees

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. Details of various committees of the Board have been mentioned below:

a) Audit Committee

Pursuant to the Section 177 of the Companies Act, 2013 and Para 3(i) of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 and para no. 50 of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, Company has constituted the Audit Committee. The Audit Committee of the Board met **5 (Five) times** during the year on (i) June 10, 2022, (ii) August 11, 2022, (iii) November 25, 2022, (iv) January 30, 2023 and (v) March 10, 2023, respectively. The requisite quorum was present at the respective meetings of the Committee.

The Audit Committee presently consists of the following members:

1. Mr. Radhey Shyam Garg - Chairman
2. Ms. Matangi Gowrishankar - Member
3. Mr. Himanshu Joshi - Member
4. Mr. Sushma Kaushik - Member
5. Mr. Avishek Addy - Member

* Mr. Vikrant Bhagwat ceased to be a member of the committee w.e.f. November 25, 2022.

* Mr. Subit Saurav ceased to be a member of the committee w.e.f. November 25, 2022.

* Mr. Radhey Shyam Garg appointed as member and Chairperson of the committee w.e.f. August 11, 2022.

* Ms. Sushma Kaushik appointed as member of the committee w.e.f. November 25, 2022.

b) Nomination and Remuneration Committee

Pursuant to the Section 178 of the Companies Act, 2013 and Para 3(i) of the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 and para no. 50 of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, Company has constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Board met **3 (Three) times** during the year on (i) June 10, 2022, (ii) August 11, 2022 (iii) March 10, 2023.

The Nomination and Remuneration Committee at present consists of the following members:

1. Ms. Matangi Gowrishankar - Chairman
2. Mr. Himanshu Joshi - Member
3. Mr. Ashish Tewari - Member
4. Mr. Sushma Kaushik - Member
5. Mr. Avishek Addy - Member
6. Mr. Radhey Shyam Garg - Member

* Mr. Radhey Shyam Garg appointed as member of the committee w.e.f. August 11, 2022

c) Resourcing Committee

Pursuant to the Section 179(3) of the Companies Act, 2013 Company has constituted the Resourcing Committee. The Resourcing Committee of the Board met 1 (One) time during the year on i.e April 01, 2022 as the Board pursuant to its resolution passed on June 10, 2022 have constituted a Management Resourcing Committee of the Company comprising of MD & CEO and other senior management executives of the Company for ease of business operations of the Company.

The Resourcing Committee at present consists of the following members:

1. Mr. Vikrant Bhagwat - Chairman
2. Ms. Sushma Kaushik - Member
3. Mr. Avishek Addy - Member

22. Risk Management

Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, access and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As per para 3(I) of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 and para no. 50 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Risk Management Committee was duly constituted which is responsible for putting in place a risk management system, risk management policy and strategy to be followed by the Company and monitor risk at regular intervals.

23. Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo

The Company does not have any activity relating to conservation of energy and technical absorption and does not own any manufacturing facility. Hence the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable. There were no foreign exchange earnings and expenditure during the period under review.

24. Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:

- a) in the preparation of the Annual Accounts for the year March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that year;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Extract of Annual Return

The extract of Annual Return as required under Section 92(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 will be made available on the website of the Company on www.altumcredo.com.

26. Particulars of Loans, Guarantees and Investments

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given or securities provided by a Housing Finance Company in the ordinary course of business are exempted from disclosure in the Annual Report.

27. Deposits

Your Company is registered as a non-deposit taking Housing Finance Company with National Housing Bank and hence does not accept deposits. No deposits were accepted from the public in the Financial Year ended March 31, 2023.

28. Employees Stock Option Plan

The Board of Directors of the Company administers and monitors the Employees Stock Option Scheme in accordance with the provisions under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

The applicable disclosures as stipulated under Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014, as at March 31, 2023 are set out in “Annexure A” which forms a part of the Report.

29. Particulars of related party transactions

During the period under report the Company has not entered any related party transactions. Hence, no particulars are required to be disclosed in the Form AOC-2 w.r.t. the provisions of Section 134 of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014. 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.

30. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 for Corporate Social Responsibility are not applicable to the Company during the financial year under review. However, considering the Company has crossed the threshold of the net profit exceeding Rs. 5 crores as mentioned under Section 135 of Companies Act, 2013, the provisions of the said section become applicable on the Company from FY 2023-24 onwards and that the Company would duly fulfil its Corporate social responsibility in the ongoing financial year.

31. Reporting of Fraud

The Company has also put a reporting system in place for recording frauds as stipulated in guidelines dated February 5, 2019 issued by NHB. There were no new frauds reported during the financial year under review.

32. Compliance with Secretarial Standards

The Company has complied with the Secretarial Standards for Board Meetings and General Meetings.

33. Significant and material orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations.

34. Details in respect of appointment of Internal Auditors

During FY 2022-23, the Company's outstanding loans from Banks & Financial Institutions has crossed ₹100 crores and as per the provisions of Section 138 of Companies Act, 2013. the Company was mandatorily required to appoint Internal Auditor.

Pursuant to the abovementioned provisions, the Board of Directors at its meeting held on March 11, 2022, appointed M/s. BDO India LLP, Chartered Accountants, Mumbai as an Internal Auditor of the Company to undertake the Internal Audit process for the financial year 2022-23.

35. Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company is already in Compliance with the provisions of Section 22 and 28 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has an Anti-Sexual Harassment Policy covering all employees (permanent, contractual, temporary, trainees). An Internal Committee (IC) has also been set up to redress complaints received regarding sexual harassment. During the year under review, the Company has not received any complaint pertaining to sexual harassment and hence no complaint is outstanding as on March 31, 2023.

36. Vigil mechanism, whistle blower policy

The Company as part of the “Vigil Mechanism” has in place a “Whistle Blower Policy” to deal with instances of fraud and misappropriations, if any. This policy has been placed on the website of the Company. During the year under review, no whistle blower complaint was received.

37. Reserve Bank of India and National Housing Bank Guidelines

Your Company has complied with the provisions of the Master Directions for Housing Finance Companies as prescribed by Reserve Bank of India and has been in compliance with the various circulars, notifications and guidelines issued by RBI and NHB from time to time. The Circulars, Notifications and guidelines issued by RBI and NHB are also placed before the Board of Directors at regular intervals to update the Board members on the status of compliance with the same.

During the year, the Company did not receive any Adverse/Show Cause notices and there was no penalty levied by NHB on the Company.

38. Significant and Material order passed

There are no significant material orders passed by the Regulators / Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

39. Disclosure pursuant to National Housing Bank Act, 1987 read with the Housing finance companies (NHB) Directions, 2010 and Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

- a) Your Company is in compliance with all applicable provisions of NHB Act, 1987 and Directions, Guidelines and Circulars issued by NHB and Reserve Bank of India from time to time.
- b) Your Company being a Non-Public Deposit accepting Housing Finance Company, is not required to make disclosures in pursuance to para no. 68 of Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021
- c) The Board of Directors periodically review compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management.
- d) In terms of HFC-Corporate Governance (NHB) Directions, 2016, details of all material transactions with related parties, if any, are disclosed in this report or Financial Statement attached to this Report and Policy on dealing with Related Party Transactions have already been uploaded on Company's website and attached to this report as **Annexure B**.
- e) Management Discussion and Analysis Report forming part of the Annual Report to the Shareholders.

40. Acknowledgement

The Directors of your Company take this opportunity to express their sincere appreciation for the services rendered by the Company's Bankers, Consultants and Advisors, Service providers, Customers and Stakeholders for their continued support and guidance. The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

For & On behalf of the Board of Directors
Altum Credo Home Finance Private Limited

Vikrant Bhagwat
 Managing Director & CEO
 DIN: 06552246

Himanshu Joshi
 Independent Director
 DIN: 07214254

Date: June 09, 2023
 Place: Pune

Annexure 'A' to Board's Report

EMPLOYEES STOCK OPTIONS

(Pursuant to clause 12 (9) of the companies (share capital and Debenture) Rules, 2014)

1. Details of Employee stock option plan list as on 31st March 2023

#	Particulars	No of options
1.	Options approved to be issued as ESOPs	13,25,000
2.	Options Granted*	11,35,406
3.	Options Vested	5,97,906
4.	Options Exercised	3,27,781
5.	The total number of shares arising as a result of exercise of option	3,27,781
6.	Options Lapsed/ Surrendered	1,16,750
7.	The exercise price	₹10/- to ₹70/-
8.	Variation of Terms of Options	NA
9.	Money realized by exercise of options during the year 2021-22	7,82,500
10.	Total number of options in force	6,90,875
11.	Details of options granted to:	
i)	Key managerial personnel	Nil
ii)	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
iii)	identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

*this excludes the option granted and lapsed before April 01, 2022

For & On behalf of the Board of Directors
Altum Credo Home Finance Private Limited

Name: Vikrant Bhagwat
 Designation: Managing Director & CEO
 DIN: 06552246

Name: Himanshu Joshi
 Designation: Director
 DIN: 07214254

Date: June 09, 2023
 Place: Pune

Annexure 'B' to Board's Report

POLICY ON RELATED PARTY TRANSACTIONS

1. OBJECTIVE

"Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" ("NHB Directions") require a housing finance company to formulate a Policy on Related Party Transactions and also on dealing with such Related Party Transactions

Accordingly, this Policy has been framed to ensure the following:

- Transactions are approved as per Policy
- Appropriate disclosure of all transactions are made

2. APPLICABILITY

The policy applies to all the transactions which fall within the ambit of policy of Related Party Transactions defined hereunder as "Related Party Transaction".

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party transactions.

3. DEFINITIONS

3.1 "**Applicable Laws**" includes (a) the Companies Act, 2013 ("the Act") and rules made thereunder; (b) Accounting Standards (c) National Housing Bank (NHB) Act, NHB Housing Finance Companies Directions and Notifications issued by NHB from time to time and (d) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

3.2 "**Arm's length Transactions**" means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

3.3 "**Audit Committee or Committee**" means Committee of Board of Directors of the Company constituted under provisions of the Companies Act, 2013

3.4 "**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013 and includes:

- i. Managing Director, or Chief Executive Officer or manager and in their absence, a wholetime director;
- ii. Company Secretary; and
- iii. Chief Financial Officer

3.5 "**Omnibus approval**" In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company and on Arm's length basis, the Audit Committee may grant an omnibus approval for such Related Party Transactions.

3.6 "**Ordinary course of business**" includes but not limited to a term for activities that are necessary, normal, and incidental to the business. These are common practices and customs of commercial transactions. The ordinary course of business covers the usual transactions, customs and practices related to the business.

3.7 "**Related Party**" means any person who is

- i. a related party under Section 2(76) of the Companies Act, 2013 read with rules issued thereunder;
- ii. a related party under the applicable accounting standards; or
- iii. any other person or entity covered under Applicable Laws.

3.8 "**Related party transaction**" A related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

3.9 "**Relative**" means relative as defined under the Companies Act, 2013, as amended from time to time.

4. PROCEDURES

The Audit Committee of the Board of Directors of the Company will review the relevant facts and circumstances of each Related Party Transaction.

Accordingly, in the month of March of every Financial Year, management shall present to the Committee the following information with respect to all Related Party Transactions expected to be entered into during that financial year. The Audit Committee shall be provided with the following information and details pertaining to each proposed related party transactions/ contracts –

- i. The name of the related party and nature of relationship;
- ii. The nature, duration of the transaction / contract or arrangement and particulars of the transaction/ contract or arrangement;
- iii. The material terms of the transaction/contract or arrangement including the value and / or the maximum amount for which the same is proposed to be entered into;
- iv. Any advance paid or received for the transaction / contract or arrangement, if any;
- v. The manner of determining the pricing and other commercial terms, both included as part of transaction / contract and not considered as part of the same;
- vi. No director shall participate in approval of a Related Party Transaction for which he or she is a Related Party.

4.1 The Audit Committee may grant omnibus approval for Related Party Transactions, which are repetitive in nature and are proposed to be entered into by the Company. Omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.

4.2 Approval of Board of Directors and Shareholders

The Audit Committee shall report all 'Material Related Party Transactions' to the Board of Directors.

The Company will also seek shareholder's approval for those Related Party Transactions exceeding threshold limits specified under Section 188 and Rules made thereunder of the Companies Act, 2013 in the subsequent general meeting of the year in which the Related Party Transaction is undertaken.

The resolution will be an Ordinary resolution. In case of transactions, which are not ordinary course of business or not at arm's length, approval from the Board will be required.

4.3. Reporting

Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose by giving notice in form MBP- 1 his concern or interest whether directly or indirectly, in a contract or arrangement or proposed contract or arrangement entered into or to be entered into –

- (a) With a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (b) With a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting;

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

Each Director and Key Managerial Personnel shall be required to disclose to the Audit Committee any potential Related Party Transaction(s) proposed to be entered into by them or their relatives. The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the provisions of the Companies Act, 2013 and rules framed thereunder.

5. DISCLOSURES OF THE POLICY

5.1. Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of the Directors' Report.

5.2. This Policy will also be uploaded on the Company website and web link thereto shall be provided in the Annual Report of the Company every year.

Annexure 'C' to Board's Report

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2023

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

To,

The Members,

Altum Credo Home Finance Private Limited

CTS No - 1074/1, Plot No - 426/1,

Gokhale Road Model Colony,

Shivajinagar, Pune - 411016

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to the good corporate practices by **Altum Credo Home Finance Private Limited (CIN: U65999PN2016PTC166384)** (hereinafter called "the **Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verifications of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 (hereinafter called the '**Audit Period**'), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**

Annexure 'C' to Board's Report - Form No. MR-3, Secretarial Audit Report (Cont.)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'),

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable to the Company during the Audit Period)**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period)**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period)**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**

(vi) The Company has identified the following laws and regulations as specifically applicable to the Company:

1. National Housing Bank Act, 1987 and the Guidelines and Circulars issued thereunder from time to time.;
2. Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with relevant guidelines and circulars;

(vii) Other laws applicable to the Company:

1. Taxation Laws
2. Labour Laws such as Employee State Insurance Act, 1948; The Labour Welfare Fund, 1953; Employees Provident Funds & Miscellaneous Provision Act, 1952; Maternity Benefit Act, 1961 etc.
3. The Shop and Establishment Act
4. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) during the Audit Period.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

Annexure 'C' to Board's Report - Form No. MR-3, Secretarial Audit Report (Cont.)

I further report that,

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

Adequate notice is given to all Directors to schedule the Board Meetings and Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at a shorter notice, and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board meetings and Committee meetings, duly recorded and signed by the Chairman, the decisions of the Board of Directors or Committees of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the Audit Period, following specific events/actions have occurred:

1. The Company has issued and allotted 200 Rated, Senior, Secured, Unlisted, Redeemable, Transferable Non-Convertible Debentures (NCDs) of ₹10,00,000 each aggregating to ₹20 crores on private placement basis;
2. The Company has issued and allotted 2,00,000 Series M Compulsory Convertible Cumulative Preference Shares ('Series M CCPS') of face value of ₹10 each, at par, (based on the Valuation Report obtained by the Company from Mr. Dharmesh Lalitkumar Trivedi, Chartered Accountant), aggregating to ₹20,00,000/-;
3. The Company has allotted 18,125 equity shares of face value of ₹10/- each upon exercise of vested stock options by employees under the Altum Credo Employee Stock Option Plan 2017 as follows:
 - (a) 3,000 equity shares at an exercise price of ₹10 per equity share
 - (b) 15,125 equity shares at an exercise price of ₹20 per equity share (including the premium of ₹ 10 per share);
4. Amending the Articles of Association of the Company by substituting Article No. 3.2 and Article 3.3.5 of Part B of the Articles of Association of the Company pertaining to 'Board Composition'. The alteration pertained to increasing the board size of the Company to 8 instead of 7 and the number of independent directors to 3 instead of 2;
5. Re-classification and alteration of the capital clause of the Memorandum of Association of the Company;
6. The Company received a sanction of Rs. 30 crores from National Housing Bank under National Housing Bank's refinance scheme;
7. During the Audit Period, inspection of the Company was conducted by National Housing Bank (NHB) in terms of provisions of National Housing Bank Act, 1987 with reference to its position as on 31st March, 2021 and 31st March, 2022. The deficiencies/observations were communicated to the Company by NHB on 31st October, 2022 and the Company was given a 30-day time period to respond to the observations.

Annexure 'C' to Board's Report - Form No. MR-3, Secretarial Audit Report (Cont.)

The Company submitted their response to NHB's observations on 28th November, 2022 and also provided the necessary documents viz. MD/CEO certificate with respect to the compliance of the observations and the extract of the meeting minutes as sought by NHB in their letter dated 31st October, 2022. Post the response submitted by the Company to NHB, the Company has not received any further communications from NHB apart from the supervisory rating issued by the NHB on 3rd March, 2023 with reference to its position as on 31st March, 2021 and 31st March, 2022.

Date: 09th June, 2023
Place: Mumbai

Priya Vishwanathan
Practicing Company Secretary
ACS No.23377 | CP No. 20651
UDIN: A023377E000475345

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

Annexure 'C' to Board's Report - Form No. MR-3, Secretarial Audit Report (Cont.)**'Annexure-A'**

To,
The Members,
Altum Credo Home Finance Private Limited
CTS No - 1074/1, Plot No - 426/1,
Gokhale Road Model Colony,
Shivajinagar, Pune - 411016

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

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

Date: 09th June, 2023
Place: Mumbai

Priya Vishwanathan
Practicing Company Secretary
ACS No.23377 | CP No. 20651
UDIN: A023377E000475345

Independent Auditor's Report

To the Members of Altum Credo Home Finance Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Altum Credo Home Finance Private Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the ruled made thereunder, of the state of affairs of the Company as at March 31, 2023, its profit, 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 specified under sub-section (10) of section 143 of the Companies Act, 2013 ("the SAs"). 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available 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. We have nothing to report in this regard.

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

The Company's Board of Directors and management are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, its profits 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.

Independent Auditor's Report – March 31, 2023 (Continued)

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial 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, the management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report – March 31, 2023 (Continued)

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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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;
 - e) On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
 - f) With respect to the adequacy of 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**".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2023, on its financial position in its Financial Statements - Refer note no. 31 - Contingent Liabilities to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Independent Auditor's Report – March 31, 2023 (Continued)

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer note 32(1)(i) to the Financial Statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer to note 32.1(ii) to the Financial Statements), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv(a) and iv(b) above, contain any material misstatement.
 - v. The Company has neither declared dividend during the year nor paid any dividend during the year;
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
4. As required by Section 197(16) of the Act, 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 M. P. Chitale & Co
Chartered Accountants
ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership No.: 143700
UDIN: 22143700ALLWGM9843

Place: Pune
Date: June 09, 2023

Independent Auditor's Report – March 31, 2023 (Continued)

Annexure A to the Independent Auditors' Report – March 31, 2023

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company of even date:

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
The Company has maintained proper records showing full particulars including quantitative details and the situation of its Property, Plant, and Equipment including intangible assets
- (b) In our opinion, the Company's program of physically verifying Property, Plant and Equipment once in a year, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such a program, the physical verification of Property, Plant and Equipment were physically verified by the Company during the year. We have been informed that 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.
- (d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year.
- (e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is in the business of Housing Finance; therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in the aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) Since the Company is in the business of Housing Finance, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) The investments made, guarantees provided, security given and loans and advances granted in our opinion, prima facie not prejudicial to the interest of the Company
- (c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 41 cases having the outstanding balance at year end aggregating to Rs. 321.90 Lakhs wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where repayment of principal and interest have not been regular.

Independent Auditor's Report – March 31, 2023 (Continued)

Annexure A to the Independent Auditors' Report – March 31, 2023 (Continued)

- (d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal amount overdue (Rs. Lakhs)	Interest overdue (Rs. Lakhs)	Total overdue (Rs. Lakhs)
41	275.62	37.28	321.90

According to the information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

- (e) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanation given to us and the records examined by us, the Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- (iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 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 examination of the books of account of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable was outstanding, at the year-end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues as mentioned in sub-clause vii(a) above which have not been deposited with the appropriate authorities.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).

Independent Auditor's Report – March 31, 2023 (Continued)

Annexure A to the Independent Auditors' Report – March 31, 2023 (Continued)

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority during the year.
- (c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised, except for the placement of funds aggregating to Rs. 4,923.19 Lakhs in Bank accounts/ Fixed Deposits with Banks, pending utilization of funds as per the respective sanction terms.
- (d) On an overall examination of the Standalone Financial Statements of the Company, no funds have been raised on short-term basis. Accordingly, reporting on clause 3(ix) (d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture entity, accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture entity, accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made a private placement of compulsorily convertible preference shares and preferential allotment of Non-Convertible Debentures. In our opinion and according to the information and explanation given to us, the Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 with respect to the preferential allotment and private placement; The funds raised have been utilized for the purposes for which they were raised except for placement aggregating to Rs. 469.81 Lakhs in Bank accounts/ Fixed Deposits with Banks, pending utilization of funds as per the respective terms of issuance.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have not come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us, we have not come across any instance of whistle blower complaints reported during the year, nor have we been informed of any such cases by the Company.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

Independent Auditor's Report – March 31, 2023 (Continued)

Annexure A to the Independent Auditors' Report – March 31, 2023 (Continued)

- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A (2) of the National Housing Bank Act 1987 for conducting housing finance business.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion and based on the information and explanations given to us the Company is not a part of any Group structure, accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Independent Auditor's Report – March 31, 2023 (Continued)**Annexure A to the Independent Auditors' Report – March 31, 2023 (Continued)**

- (xx) In our opinion and based on the information and explanations given to us, the provisions of section 135 with respect to Corporate Social Responsibilities are not applicable to the Company, accordingly reporting under clause 3(xx) of the Order is not applicable.
- (xxi) Based on the information and explanations given to us, the Company is not required to prepare consolidated Financial Statements as per section 129(3) of the Companies Act, 2013. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For M. P. Chitale & Co
Chartered Accountants
ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale
Partner
Membership No.: 143700
UDIN: 22143700ALLWGM9843

Place: Pune
Date: June 09, 2023

Independent Auditor's Report – March 31, 2023 (Continued)

Annexure B to the Independent Auditors' Report – March 31, 2023

Report on the Internal Financial Controls with reference to the Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the Internal Financial Controls with reference to the Financial Statements of **Altum Credo Home Finance Private Limited** ("the Company") as of March 31, 2023, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act")

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 controls with reference to Financial Statements.

Independent Auditor's Report – March 31, 2023 (Continued)

Annexure B to the Independent Auditors' Report – March 31, 2023 (Continued)

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For M. P. Chitale & Co

Chartered Accountants

ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership No.: 143700

UDIN: 22143700ALLWGM9843

Place: Pune

Date: June 09, 2023

Annual Financial Statements

FY 2022-23



Balance Sheet as at March 31, 2023

(Rs. in Lakhs)

Particulars	Note	March 31, 2023	March 31, 2022
A. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	8,056.38	8,033.47
(b) Reserves and surplus	4	15,476.51	14,564.77
		23,532.89	22,598.24
(2) Non-current liabilities			
(a) Long term borrowings	5	24,007.37	8,628.29
(b) Other long-term liabilities	6	12.42	6.12
(c) Long term provisions	7	405.14	446.58
		24,424.93	9,080.99
(3) Current liabilities			
(a) Short term borrowings	8	6,537.64	2,522.08
(b) Trade payables	9		
(i) Total o/s dues of micro enterprises and small enterprises		-	-
(ii) Total o/s dues of creditors other than micro enterprises and small enterprises		73.47	29.55
(c) Other current liabilities	6	378.11	154.92
(d) Short-term provisions	7	158.42	98.87
		7,147.64	2,805.42
Total		55,105.46	34,484.65
B. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Tangible assets	10	169.11	170.90
(ii) Intangible assets	10	36.67	23.75
		205.78	194.65
(b) Deferred tax assets (net)	11	21.48	66.03
(c) Long-term loans and advances	12	43,823.32	24,165.35
(d) Other non-current assets	15	383.07	157.12
		44,227.87	24,388.50
		44,433.65	24,583.15
(2) Current assets			
(a) Current investments	13	-	5.66
(b) Cash and bank balances	14	7,447.58	8,674.42
(c) Short-term loans and advances	12	3,004.39	1,047.69
(d) Other current assets	15	219.84	173.73
		10,671.81	9,901.50
Total		55,105.46	34,484.65

Notes 2 to 38 form an integral part of the financial statements

As per our report of even date attached
For M. P. Chitale & Co.
Chartered Accountants
 ICAI Firm Reg. No. 101851W

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

Sanat Ulhas Chitale
 Partner
 ICAI Membership No.: 143700

Vikrant Bhagwat
 Managing Director
 DIN: 06552246

Himanshu Joshi
 Independent Director
 DIN: 07214254

Place: Pune
Date: June 09, 2023

Vivek Jain
 Chief Financial Officer
Place: Pune
Date: June 09, 2023

Vrishti Kaushik
 Company Secretary

Statement of Profit and Loss for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Note	March 31, 2023	March 31, 2022
Revenue			
Revenue from operations	16	6,728.99	3,321.08
Other income	17	499.71	322.08
(I) Total revenue		7,228.70	3,643.16
Expenses			
Employee benefit expense	18	2,746.44	1,635.49
Finance costs	19	2,105.99	720.35
Depreciation and amortization expense	10	60.86	38.54
Other expenses	20	1,053.94	564.39
Provisions and Write-off	21	74.95	77.81
(II) Total Expenses		6,042.18	3,036.58
(III) Profit before tax [(I)-(II)]		1,186.52	606.58
(IV) Tax expense:			
Current tax		246.77	149.95
Current tax (Prior Period)		(0.49)	-
Deferred tax charge	11	44.55	9.97
		290.84	159.92
(V) Profit for the year [(III)-(IV)]		895.69	446.66
Earnings per equity share	27		
Basic (Rs.)		2.03	1.06
Diluted (Rs.)		1.29	0.69
Face value per share (Rs.)		10	10

Notes 2 to 38 form an integral part of the financial statements

As per our report of even date attached
For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Reg. No. 101851W

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

Sanat Ulhas Chitale
Partner
ICAI Membership No.: 143700

Vikrant Bhagwat
Managing Director
DIN: 06552246

Himanshu Joshi
Independent Director
DIN: 07214254

Place: Pune
Date: June 09, 2023

Vivek Jain
Chief Financial Officer
Place: Pune
Date: June 09, 2023

Vrishti Kaushik
Company Secretary

Cash flow statement for the year ended March 31, 2023

Particulars	(Rs. in Lakhs)	
	March 31, 2023	March 31, 2022
Cash flow from operational activities		
Profit/(Loss) before tax	1,186.52	606.58
Adjustments for:		
Depreciation and amortization expense	60.86	38.54
Employee stock option expense	11.09	23.53
Loss on sale/write-off of fixed assets	14.24	3.01
Finance cost	2,105.99	720.35
Interest earned on deposits / Dividend received from investments	(499.71)	(322.09)
Provisions and Write-off	74.95	77.81
Operating profit before working capital changes	2,953.94	1,147.74
Adjustments for changes in working capital:		
Increase in short term / long term provisions	47.68	48.01
Increase in other long term/current liabilities	169.52	(130.46)
Increase in trade payable	43.92	14.31
Increase in long-term and short-term advances	(21,727.60)	(12,792.16)
Increase in other current and other non-current assets	(258.57)	(187.49)
Cash flow (used in) operating activities before tax	(18,771.11)	(11,900.06)
Income tax paid (net of refunds)	(237.89)	(159.35)
Net cash flow (used in) operating activities (A)	(19,009.00)	(12,059.41)
Cash flows generated from / (used in) investing activities		
Net (investment)/ redemption in mutual funds	5.66	28.87
Net (investment)/ redemption in fixed deposits	(706.50)	(50.50)
Interest earned on deposits	485.90	310.36
Dividend received from mutual fund investments	0.32	0.46
Proceeds on sale of fixed assets	-	2.95
Purchase of fixed assets	(86.45)	(161.32)
Net cash flow generated from investing activities (B)	(301.07)	130.82
Cash flows generated from/(used in) financing activities		
Proceeds from issuance of equity share capital (net of issue expenses)	27.83	8,720.14
Borrowings from Banks/financial institutions	23,250.00	8,700.00
Repayments of borrowings during the year	(3,855.05)	(2,134.43)
Finance cost paid	(2,046.05)	(699.19)
Net cash flow generated from financing activities (C)	17,376.73	14,586.52
Net increase in cash and cash equivalents during the year	(1,933.34)	2,657.93
Cash and cash equivalents at the beginning of the year	8,123.92	5,465.99
Cash and cash equivalents at the end of the year	6,190.58	8,123.92

Cash flow statement for the year ended March 31, 2023 (Cont.)

Particulars	March 31, 2023	March 31, 2022
Components of cash and cash equivalents		
Cash in hand	1.37	0.58
Balance with banks		
- on current accounts	2,053.21	1,174.34
- on deposit accounts (with original maturity of 3 months or less)	4,136.00	6,949.00
Total cash and cash equivalents (Refer note 14)	6,190.58	8,123.92

Notes 2 to 38 form an integral part of the financial statements

As per our report of even date attached
For M. P. Chitale & Co.
Chartered Accountants
 ICAI Firm Reg. No. 101851W

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

Sanat Ulhas Chitale
 Partner
 ICAI Membership No.: 143700

Vikrant Bhagwat
 Managing Director
 DIN: 06552246

Himanshu Joshi
 Independent Director
 DIN: 07214254

Place: Pune
Date: June 09, 2023

Vivek Jain
 Chief Financial Officer
Place: Pune
Date: June 09, 2023

Vrishti Kaushik
 Company Secretary

Notes forming part of Financial Statements for the year ended March 31, 2023

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 Reserve bank of India ("RBI") and 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:

- it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- 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:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- 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.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the above definition and nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2.4. Property, Plant and Equipment, Intangible Asset, 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 Property, Plant and Equipment 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 property, plant and equipment and 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 RBI 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 documentation and processing fees are recognised on sanction of loans and when there is no significant uncertainty as to determination and realization. Other charges such as loan sourcing fees, cheque bounce charges, late payment charges, SOA charges, Foreclosure statement charges are recognized on 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.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

2.6. Loans: Classification and Provisioning

Housing loans are classified as per the RBI guidelines, into performing and non-performing assets. All loans and other credit exposures where the instalments, including interest 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 RBI. From October 01, 2022, the Company upgrades the loan accounts classified as non-performing assets as 'standard' asset only if entire arrears of interest and principal are paid by the borrower in line with the RBI's clarificatory circular dated November 12, 2021 and February 15, 2022, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. Prior to this, the Company upgraded the loan accounts as standard when the instalments, including interest were overdue for a period of less than ninety days.

Non-performing assets are further classified as sub-standard assets for a period not exceeding 12 months from the date of classification as non-performing asset. Non performing asset will be classified as doubtful assets when the asset continues to be in a sub-standard category for a period of 12 months, as stipulated by RBI guidelines.

The Company maintains general provision for standard assets as per the prudential norms prescribed by the RBI. The prudential norms require the Company to maintain provision of 0.25% on standard home loan assets across income segments. Considering customer segment predominantly belonging to EWS/LIG segment; the Company, as part of accounting policy, has provided 0.40% (additional 0.15%) on the standard home loans assets beginning from current financial year. Additional provisions are made against specific non-performing assets over and above as stated in the RBI guidelines, if in the opinion of management, a higher provision is necessary.

Loans which are restructured as per RBI's Resolution Plan Framework for COVID-19 related stress are classified as standard assets and provision is maintained on such assets as per norms prescribed by RBI in this regard. In the previous year, the Company had 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 had 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.

2.7. Investment

In accordance with AS - 13 on "Accounting for Investments", 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 AS 28 - Impairment of Assets, 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.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

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 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'.

2.12. Earnings per share

The Company reports basic and diluted earnings per share ("EPS") in accordance with AS 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.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

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 has availed the option to pay tax at the rate of 22% plus applicable surcharge and health and education cess payable by corporate entities in India on taxable profits under the Income Tax Act 1961.

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", "ESOP 2017") 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 year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

3. Share Capital

Authorized:	March 31, 2023	March 31, 2022
6,25,98,927 (Previous year 6,25,98,927) Equity Shares of ₹10 each	6,259.89	6,259.89
2,05,51,073 (Previous year 2,07,51,073) 0.001% Series A Compulsory Convertible Cumulative Preference Shares of ₹10 each	2,055.11	2,075.11
2,30,00,000 (Previous year 2,30,00,000) 0.001% Series B Compulsory Convertible Cumulative Preference Shares of ₹10 each	2,300.00	2,300.00
2,00,000 (Previous year Nil) 0.001% Series M Compulsory Convertible Cumulative Preference Shares of ₹10 each	20.00	-
Total	10,635.00	10,635.00

Issued, subscribed and paid-up shares	March 31, 2023	March 31, 2022
4,42,01,431 (Previous year 4,41,73,306) Equity Shares of ₹10 each	4,420.14	4,417.33
1,40,84,407 (Previous year 1,40,84,407) 0.001% Series A Compulsory Convertible Cumulative Preference Shares of ₹10 each	1,408.44	1,408.44
2,20,78,000 (Previous year 2,20,78,000) 0.001% Series B Compulsory Convertible Cumulative Preference Shares of ₹10 each	2,207.80	2,207.80
2,00,000 (Previous year Nil) Series M Compulsory Convertible Cumulative Preference Shares of ₹10 each	20.00	-
Total	8,056.38	8,033.47

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

Particulars	March 31, 2023		March 31, 2022	
a) Equity Shares	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	4,41,73,306	4,417.33	4,10,81,556	4,108.16
Issued during the year	28,125	2.81	30,91,750	309.18
Outstanding at the end of the year	4,42,01,431	4,420.14	4,41,73,306	4,417.43
b) 0.001% Series A Compulsorily Convertible Cumulative Preference Shares	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	1,40,84,407	1,408.44	1,40,84,407	1,408.44
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,40,84,407	1,408.44	1,40,84,407	1,408.44
c) 0.001% Series B Compulsorily Convertible Cumulative Preference Shares	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	2,20,78,000	2,207.80	-	-
Issued during the year	-	-	2,20,78,000	2,207.80
Outstanding at the end of the year	2,20,78,000	2,207.80	2,20,78,000	2,207.80
d) 0.001% Series M Compulsorily Convertible Cumulative Preference Shares	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	2,00,000	20.00	-	-
Outstanding at the end of the year	2,00,000	20.00	-	-

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

3. Share capital (Cont.)

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 November 10, 2021 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 November 10, 2021.

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 preference in distribution over other shareholders in accordance with Article 28 of the Articles of Association.

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

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Equity Shares				
1. Ganesh Rao	75,90,000	17.17%	75,90,000	17.18%
2. Ashish Tewari	80,00,000	18.10%	80,00,000	18.11%
3. Vikrant Bhagwat	43,12,556	9.76%	43,12,556	9.76%
4. P. Surendra Pai and family	2,33,85,994	52.91%	2,33,85,994	52.94%

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

3. Share capital (Cont.)

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

Particulars	March 31, 2023		March 31, 2022	
0.001% Series A Compulsorily Convertible Cumulative Preference Shares	Number of shares	% holding	Number of shares	% holding
1. Aavishkaar Bharat Fund	1,40,84,407	100.00%	1,40,84,407	100.00%
0.001% Series B Compulsorily Convertible Cumulative Preference Shares	Number of shares	% holding	Number of shares	% holding
1. Amicus Capital Private Equity I LLP	1,46,11,000	66.18%	1,46,11,000	66.18%
2. Aavishkaar Bharat Fund	60,80,000	27.54%	60,80,000	27.54%
3. Amicus Capital Partners India Fund I	13,87,000	6.28%	13,87,000	6.28%
0.001% Series M Compulsorily Convertible Cumulative Preference Shares	Number of shares	% holding	Number of shares	% holding
1. Vikrant Bhagwat	1,60,000	80.00%	-	-
2. Sanjay Tiwari	40,000	20.00%	-	-

f. Shareholding of Promoters

Name of Promoter	Number of Equity Shares	% holding	% of change during the year
1. Ganesh Rao	75,90,000	17.18%	-0.01%
2. Ashish Tewari	80,00,000	18.11%	-0.01%
3. Vikrant Bhagwat	43,12,556	9.76%	-0.01%

4. Reserves and Surplus

Particulars	March 31, 2023	March 31, 2022
Employee stock option reserve		
Balance at the beginning of the year	79.39	67.55
Add: Employee compensation expense for the year	11.09	23.53
Less: Share allotment during the year	5.52	11.69
Balance at the end of the year	84.96	79.39
Statutory reserve (As per section 29C of the National Housing Bank Act, 1987)		
Balance at the beginning of the year	184.96	95.63
Add: Addition during the year u/s 29C of NHB Act, 1987	-	-
Add: Addition during the year 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	179.14	89.33
Less: Appropriation during the year	-	-
Balance at the end of the year	364.10	184.96
Securities premium account		
Balance at the beginning of the year	13,945.99	7,731.13
Add: Premium on issue of equity shares	10.53	6,304.22
Less: Amounts utilized toward share issue expenses	-	89.36
Balance at the end of the year	13,956.52	13,945.99

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

4. Reserves and Surplus (Cont.)

Particulars	March 31, 2023	March 31, 2022
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	354.42	(2.88)
Add: Profit for the year	895.69	446.66
Appropriations		
Less: Transfer to Special Reserve	179.14	89.33
Less: Provision for cumulative dividend on preference shares	0.04	0.02
Balance at the end of the year	1,070.93	354.43
Total Reserves and Surplus	15,476.51	14,564.77

Surplus/(Deficit) in Statement of Profit and Loss

Surplus/(Deficit) in Statement of Profit and Loss pertains to net accumulated profits of previous years.

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. The company has transferred Rs.179.14 lakh (Previous Year- Rs. 89.33 lakh) to the Special Reserve in terms of u/s section 29C of NHB Act 1987.

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

Particulars	March 31, 2023	March 31, 2022
12.50% Redeemable Non-Convertible Debentures	2,000.00	-
Term loans (Secured)		
- from Banks	10,576.29	5,235.33
- from National Housing Bank	6,615.07	2,539.35
- from NBFCs and HFCs	11,353.65	3,375.70
Less: Current maturities of long-term borrowings	(6,537.64)	(2,522.08)
Total	24,007.37	8,628.29

12.5% Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities for a tenure of 5 years with 1 year of principal moratorium.

Terms of repayment of borrowings as at March 31, 2023

Interest Rate	5-10 years	3-5 years	1-3 years	0-1 years	Total
From Banks					
10.20% - 13.15% p.a.	482.12	2,696.45	4,480.60	2,917.13	10,576.30
From National Housing Bank	-	-	-	-	-
7.10% - 7.90% p.a.	2,030.20	1,894.28	1,956.79	733.79	6,615.06
From NBFCs & HFCs	-	-	-	-	-
11.25% - 13.25% p.a.	125.00	4,384.40	5,957.53	2,886.72	13,353.65
Total	2,637.32	8,975.13	12,394.92	6,537.64	30,545.01

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

5. Long-term Borrowings (Cont.)

Terms of repayment of borrowings as at March 31, 2022

Interest Rate	5-7 years	3-5 years	1-3 years	0-1 years	Total
From Banks					
9.53% - 10.90% p.a.	642.35	1,192.26	2,276.43	1,124.29	5,235.33
From National Housing Bank					
5.40% - 6.35% p.a.	529.98	740.74	740.79	527.79	2,539.30
From NBFCs & HFCs					
11.25% - 13.25% p.a.	-	771.30	1,734.40	870.00	3,375.70
Total	1,172.33	2,704.30	4,751.62	2,522.08	11,150.33

All term loans are secured by way of hypothecation of receivables i.e., loans and advances repayable over tenure ranging from 4-10 years. The rates of interest for some loans are linked to or based on bank base rates/T-bill/Repo rates. The Company does not any have charge or satisfaction of charge which are yet to be registered with Registrar of Companies beyond the statutory period.

Vikrant Bhagwat, the MD and CEO has given personal guarantee provided for borrowings taken by the Company as at year end.

6. Other Liabilities

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Income received in advance	-	-	31.28	16.22
Deferred rent	12.32	6.06	-	-
Statutory liabilities	-	-	64.90	35.32
Accrued employee cost	-	-	187.52	67.62
Interest on borrowing accrued but not due	-	-	94.41	34.46
Others	0.10	0.06	-	1.30
Total	12.42	6.12	378.11	154.92

7. Provisions

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for employee benefits				
Provision for gratuity (Refer note 25)	-	-	14.53	10.00
Provision for compensated absences	8.97	5.53	6.42	3.70
Provision for taxation (net)	-	-	15.02	7.31
Provision for expenses	-	-	100.67	63.68
Other Provisions*				
a) Provision for NPA assets	45.65	76.19	-	-
b) Provision for Standard assets	171.77	92.77	11.49	3.69
c) Provision for assets under COVID-19 Restructuring Plan	60.75	77.95	2.39	3.02
d) Additional COVID-19 Contingency provision on standard assets	118.00	194.14	7.90	7.47
Total	405.14	446.58	158.42	98.87

*Refer Note 29 and 33.21

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

8. Short term borrowings

Particulars	March 31, 2023	March 31, 2022
Term loans (Secured)		
Current maturities of long-term borrowings	6,537.64	2,522.08
Total	6,537.64	2,522.08

9. Trade payables

Particulars	March 31, 2023	March 31, 2022
Other than acceptances:		
Total o/s dues of micro enterprises and small enterprises (Refer Note 22)	-	-
Total o/s dues of creditors other than micro enterprises and small enterprises	73.47	29.55
Total	73.47	29.55

The Company has not entered into any transactions with struck off companies during the current year (Previous Year: Nil)

Trade Payables Ageing as on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	73.47	-	-	-	73.47
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables Ageing as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	29.55	-	-	-	29.55
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

----- This space has been left blank intentionally -----

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

10. Property, Plant and Equipment and Intangible Assets

	Tangible Assets - Property Plant and Equipment						Intangible Assets	
	Leasehold Improvement	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Total Property, Plant and Equipment	Computer Software	Total Assets
Cost								
As at 1 April 2022	109.60	85.27	32.55	-	11.07	238.49	58.86	297.35
Additions	5.12	20.14	20.89	-	2.15	48.30	38.15	86.45
Disposals	-	-	0.60	-	0.06	0.66	58.86	59.52
As at 31 March 2023	114.72	105.41	52.84	-	13.16	286.13	38.15	324.28
Depreciation/Amortisation								
As at 1 April 2022	5.83	44.43	9.96	-	7.57	67.79	35.11	102.90
Charge for the year	23.03	20.22	4.65	-	1.61	49.51	11.35	60.86
Disposals	-	-	0.22	-	0.06	0.28	44.98	45.26
As at 31 March 2023	28.86	64.65	14.39	-	9.12	117.02	1.48	118.50
Net book value								
As at 31 March 2023	85.86	40.76	38.45	-	4.04	169.11	36.67	205.78
As at 31 March 2022	103.77	40.94	22.69	-	3.50	170.90	23.75	194.65

This space has been left blank intentionally

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

10. Property, Plant and Equipment and Intangible Assets (Cont.)

	Tangible Assets - Property Plant and Equipment						Intangible Assets	
	Leasehold Improvement	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Total Property, Plant and Equipment	Computer Software	Total Assets
Cost								
As at 1 April 2021	20.98	46.20	27.88	10.49	11.35	116.90	56.68	173.58
Additions	109.20	39.79	8.56		1.59	159.14	2.18	161.32
Disposals	20.58	0.72	3.89	10.49	1.87	37.55		37.55
As at 31 March 2022	109.60	85.27	32.55	-	11.07	238.49	58.86	297.35
Depreciation/Amortisation								
As at 1 April 2021	13.68	35.80	9.05	7.28	6.58	72.39	23.64	96.03
Charge for the year	11.64	9.35	2.92	0.52	2.54	26.97	11.47	38.44
Disposals	19.49	0.72	2.01	7.80	1.55	31.57		31.57
As at 31 March 2022	5.83	44.43	9.96	-	7.57	67.79	35.11	103.00
Net book value								
As at 31 March 2022	103.77	40.94	22.69	-	3.50	170.90	23.75	194.65
As at 31 March 2021	7.30	10.40	18.83	3.21	4.77	44.51	33.04	77.55

This space has been left blank intentionally

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

10. Property, Plant and Equipment (Cont.)

The Company does not own any immovable property held in name of other entity. The Company has not revalued any item of Property, Plant or Equipment during the year. The Company does not hold any Benami properties and no proceedings have been initiated against the Company in this relation.

11. Deferred tax assets (net)

Particulars	March 31, 2023	March 31, 2022
Deferred tax asset		
Compensated absence	3.87	4.89
Depreciation	6.55	-
Straight Lining of Rent	3.10	1.52
Provision for doubtful debts and advances	91.81	101.74
Total	105.33	108.15
Deferred tax liabilities		
Depreciation	-	3.37
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	83.85	38.75
Total	83.85	42.12
Net deferred tax asset recognized in the financial statements	21.48	66.03

12. Loans and advances

Particulars	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
To parties other than related parties				
Loans to customers under financing activities				
Secured; and considered good				
Housing Loans	30,549.92	17,153.32	2,041.14	570.97
Non-Housing Loans	12,973.48	6,819.93	874.77	382.74
	43,523.40	23,973.25	2,915.91	953.71
Secured, and considered doubtful				
Housing Loans	205.86	140.02	-	-
Non-Housing Loans	69.76	27.11	-	-
	275.62	167.13	-	-
Net Loans to customers under financing activities	43,799.02	24,140.38	2,915.91	953.71
Other loans and advances				
Unsecured, considered good unless otherwise stated:				
Advance Income Tax recoverable	24.30	24.97	-	-
GST receivable	-	-	27.56	1.21
Capital advance	-	-	-	1.74
Intangible Assets under development	-	-	-	3.43
Other deposits and advances	-	-	60.92	87.60
	24.30	24.97	88.48	93.98
Total	43,823.32	24,165.35	3,004.39	1,047.69

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

12. Loans and advances (Cont.)

Capital Advances Ageing as on March 31, 2023: Nil

Capital Advances Ageing as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Capital Work-in-Progress	1.74	-	-	-	-
Intangible Assets under development	3.43	-	-	-	-

13. Current Investments

Particulars	March 31, 2023	March 31, 2022
Investment in mutual funds - (unquoted) (non-trade)		
Units of Nippon India Mutual fund	-	5.66
Total	-	5.66

Details of current investments

Particulars	March 31, 2023	March 31, 2022
No of units		
Nippon India Liquid Fund - Direct Plan Daily Dividend Option	-	364

Book value of current investments is equal to fair value.

14. Cash and bank balances

Particulars	March 31, 2023	March 31, 2022
Cash and cash equivalents:		
Cash in hand	1.37	0.58
Balance with banks		
- on current accounts	2,053.21	1,174.34
- on deposit accounts with original maturity of 3 months or less	4,136.00	6,949.00
	6,190.58	8,123.92
Other banks balances - deposits having maturity less than 12 months	1,257.00	250.50
Other banks balances - deposits with maturity more than 12 months	0.00	300.00
Total	7,447.58	8,674.42

Fixed deposits to the tune of ₹1,267 lakhs are Lien marked FDs against overdraft facility/cash collateral /provided as collateral for bank guarantee.

-----This space has been left blank intentionally-----

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

15. Other assets

Particulars	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Unsecured, considered good unless otherwise stated)				
Interest accrued but not due on deposit with bank	-	-	50.83	37.34
Unamortised Loan Acquisition Cost	325.01	123.30	84.52	38.35
Prepaid expenses	-	-	56.53	62.04
Security deposits	58.06	33.82	27.96	36.00
Total	383.07	157.12	219.84	173.73

16. Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	5,514.35	2,653.82
Processing fees and other charges	1,214.64	667.26
Total	6,728.99	3,321.08

17. Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on fixed deposits with bank	499.39	321.62
Dividend income from mutual funds	0.32	0.46
Total	499.71	322.08

18. Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,578.10	1,500.90
Contributions to provident and other funds (Refer Note 25)	142.89	100.52
Employee stock option expense (Refer Note 26)	11.09	23.53
Staff welfare expenses	14.36	10.54
Total	2,746.44	1,635.49

19. Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings - Term loans	2,050.44	697.91
Other borrowing costs	55.55	22.44
Total	2,105.99	720.35

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

20. Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	12.69	5.58
Rent (Refer note 30)	209.79	110.36
Legal and professional fees	424.80	246.72
Travelling and conveyance expenses	94.90	45.75
IT support services	122.14	71.66
Payment to auditors (Refer note 28)	21.24	16.74
Courier, internet and other communication expenses	30.65	18.73
Printing and stationery	35.52	10.55
Office expenses	10.47	9.52
Housekeeping Charges	18.23	5.63
Bank charges and commission	11.82	6.13
Rates and taxes	1.12	0.68
Brokerage and commission	0.94	2.50
Repairs and maintenance	8.46	1.05
Insurance	7.96	0.79
Loss on sale of fixed assets / write off	14.24	3.01
Miscellaneous expenses	28.97	8.99
Total	1,053.94	564.39

21. Provisions and Write off (Refer Note 29 and 33.21)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision for standard assets	86.79	62.80
Provision for NPAs	(30.54)	44.58
Provision for assets restructured under COVID-19 Resolution Plan	(17.83)	45.02
Provision for other contingency on standard assets	(75.70)	(74.59)
Write off of Loan Assets	112.23	-
Total	74.95	77.81

-----This space has been left blank intentionally-----

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

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

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The Company has amounts due to suppliers under the MSMED Act as at March 31, 2022. The disclosure pursuant to the said Act is as under:

Particulars	March 31, 2023	March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	-	-
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 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 until August 11, 2022	Key Management Personnel (KMP)
Mr. Vivek Jain, CFO wef August 11, 2022	Key Management Personnel (KMP)
Ms. Avanti Gulavani, Company Secretary until March 11, 2022	Key Management Personnel (KMP)
Ms. Vrishti Kaushik, Company Secretary wef March 11, 2022	Key Management Personnel (KMP)
Ms. Matangi Gowrishankar	Independent Director
Mr. Ashish Tewari	Non-executive Promoter Director
Ms. Sushma Kaushik	Nominee Director
Mr. Avishek Addy wef November 18, 2021	Non-executive Director
Mr. Himanshu Joshi wef December 15, 2021	Independent Director
Mr. Ghanasham Kulkarni until September 14, 2021	Independent Director
Mr. Radhey Shyam Garg wef August 11, 2022	Independent Director
Mr. Ganesh Rao until December 15, 2021	Non-executive Promoter Director
Mr. Subit Saurav until November 25, 2022	Nominee Director
Mr. P. Surendra Pai & Mrs. Savita S Pai	Significant influence over the company
Aavishkaar Bharat Fund	Significant influence over the company
Amicus Capital Private Equity I LLP	Significant influence over the company

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

24. Disclosures as required by the AS 18, Related Party Disclosures (cont.)

(b) Details of related party transactions for the year

Transactions	Name of related party	March 31, 2023	March 31, 2022
Remuneration- KMP (See note below)	Mr. Vikrant Bhagwat	116.50	92.40
	Mr. Sanjay Tiwari	28.24	58.45
	Mr. Vivek Jain	32.32	-
	Ms. Avanti Gulavani	-	8.78
	Ms. Vrishti Kaushik	7.23	0.53
Employee shared based compensation	Mr. Sanjay Tiwari	0.10	1.58
	Mr. Vivek Jain	0.92	-
Sitting Fees – Independent Directors	Ms. Matangi Gowrishankar	2.50	3.20
	Mr. Ghanasham Kulkarni	-	0.50
	Mr. Himanshu Joshi	2.90	0.60
	Mr. Radhey Shyam Garg	2.55	-
Commission – Independent Directors	Mr. Himanshu Joshi	8.00	2.00
	Mr. Radhey Shyam Garg	1.05	-

- 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. The remuneration paid to KMP is on a proportionate basis and calculated from the date of appointment or until the date of cessation as mentioned above in Note 24(a).
- 3) Vikrant Bhagwat, the MD and CEO has given personal guarantee provided for borrowings taken by the Company as at year end.
- 4) The Company has not granted any loans or advances to related parties during the year.

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 ₹113.55 lakhs (Previous year: ₹76.1 lakhs).

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

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation at the beginning of the year	36.70	21.01
Current service cost	41.41	25.85
Interest cost	2.20	1.18
Actuarial (Gain) / Loss	(27.59)	(11.35)
Benefits paid	(1.37)	-
Defined benefit obligation at the end of the year	51.35	36.69

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)
(All Amounts are in Indian Rupees in Lakhs)

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

Fair value of plan assets

Particulars	March 31, 2023	March 31, 2022
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the period	26.68	25.10
Expected return on plan assets	2.25	1.82
Contributions	10.00	-
Benefits paid	(1.37)	-
Actuarial Gain / (Loss) on plan assets	(0.77)	(0.24)
Fair value of plan assets at the end of the year	36.80	26.68
Actual return on plan assets	1.48	1.58
Actuarial loss recognized		
Actuarial (Gain) / Loss for the period - Obligations	(27.59)	(11.35)
Actuarial (Gain) / Loss for the period - Plan assets	0.77	0.24
Total Loss for the period	(26.83)	(11.10)
Actuarial Loss recognized in the period	(26.83)	(11.10)
Unrecognized Actuarial (Gain) / Loss in the period	-	-

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

Particulars	March 31, 2023	March 31, 2022
Current service cost	41.41	25.85
Interest cost on benefit obligation	2.20	1.18
Expected return on plan assets	(2.25)	(1.82)
Net actuarial (gain) / loss recognized	(26.83)	(11.10)
Expense recognized in the Statement of profit and loss	14.53	14.11

Amounts to be recognized in the balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the end of period	51.34	36.69
Fair value of the plan assets at the end of period	36.80	26.68
Surplus / (Deficit)	(14.54)	(10.01)
Current liability	14.54	10.01
Non-current liability	-	-
Unrecognised past service costs	-	-
Net asset/(liability) recognized in balance sheet	(14.54)	(10.01)

Reconciliation of net asset/(liability) recognized

Particulars	March 31, 2023	March 31, 2022
Net asset / (liability) recognized at the beginning of the period	(10.01)	4.10
Company contributions	10.00	-
Expense recognized at the end of period	(14.53)	(14.11)
Mortality charges and taxes	-	-
Net asset / (liability) recognized at the end of the period	(14.54)	(10.01)

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

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

Experience adjustment history for 5 years

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2019	March 31, 2018
Present value of obligation	51.34	36.69	21.01	13.72	5.91
Plan assets	36.80	26.68	25.10	10.93	2.65
(Deficit) / Surplus	(14.54)	(10.01)	4.09	(2.79)	(3.26)
Experience (Gain) or Loss on plan liabilities	24.84	10.51	(12.63)	0.98	2.57
Experience (Gain) or Loss on plan assets	0.77	0.00	(1.44)	0.14	(0.10)

The principal assumptions used in determining defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.30%	6.10%
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) ESOP 2017 Grant I: 2,50,000 options representing 2,50,000 equity shares of ₹10 each were granted under this scheme on November 02, 2017.

ii) ESOP 2017 Grant II: 3,11,000 options representing 3,11,000 equity shares of ₹10 each were granted under this scheme on June 13, 2018.

iii) ESOP 2017 Grant III - A: 3,11,000 options representing 3,11,000 equity shares of ₹10 each were granted under this scheme on July 01, 2019.

iv) ESOP 2017 Grant III - B: 50,000 options representing 50,000 equity shares of ₹10 each were granted under this scheme on July 01, 2019.

v) ESOP 2017 Grant IV: 1,40,000 options representing 1,40,000 equity shares of ₹10 each were granted under this scheme on October 01, 2020.

vi) ESOP 2017 Grant V: 3,80,000 options representing 3,80,000 equity shares of ₹10 each were granted under this scheme on July 01, 2021.

vii) ESOP 2017 Grant VI: 1,60,000 options representing 1,60,000 equity shares of ₹10 each were granted under this scheme on July 01, 2022.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

26. Stock Options Plans (Cont.)

Number of options granted, exercised and cancelled/lapsed

	Year ended March 31, 2023	Year ended March 31, 2022
ESOP 2017		
Options outstanding at the beginning of the year	6,75,750	4,51,500
Granted during the year	1,60,000	3,80,000
Exercised during the year	28,125	50,750
Lapsed during the year	1,16,750	1,05,000
Option outstanding, end of the year	6,90,875	6,75,750
Exercisable at the end of the year	2,70,125	1,68,833
Unvested options	4,20,750	5,06,917

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

Particulars	Range
1. Risk free interest rate (%)	4.8% - 7.9%
2. Expected life	3.9 - 4.5
3. Expected volatility (%)	36.01% - 54.18%
4. Dividend yield (%)	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 been determined as per fair value approach (calculated using Black Scholes Options Pricing Model), the Company's Profit after Tax would be lower ₹33.52 lakhs (Previous Year: Profit after Tax lower by ₹29.84 lakhs) and profit per share as reported would be lower as indicated below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax	895.69	446.66
Add: Stock based compensation expense under intrinsic value-based method	11.09	23.53
Less: Stock based compensation expense under fair value-based method	(44.61)	(53.38)
Adjusted profit after tax	862.17	416.81
Basic earnings per share (in Rs.)		
- As reported	2.03	1.06
- Adjusted	1.95	0.99
Diluted earnings per share (in Rs.)		
- As reported	1.29	0.69
- Adjusted	1.24	0.64
Face value per share (in Rs.)	10.00	10.00

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

27. Basic and Diluted earnings per share (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) after tax attributable to equity shareholders	895.69	446.66
Weighted Average Number of Equity Shares for Basic EPS	4,41,91,260	4,21,26,613
Basic profit/(loss) per share (in Rs.)	2.03	1.06
Profit/(Loss) after tax attributable to equity shareholders	895.69	446.66
Add: Dividend on CCPS	0.04	0.02
Adjusted net profit/(loss) for diluted EPS	895.73	446.68
Weighted Average Number of Equity Shares for Basic EPS	4,41,91,260	4,21,26,613
Effect of dilutive potential equity shares		
Add: Compulsorily convertible cumulative preference shares	2,51,41,802	2,21,89,755
Add: Employee stock options	2,83,839	3,01,523
Weighted Average Number of Equity Shares for Diluted EPS	6,96,16,902	6,46,17,891
Diluted profit/(loss) per share (in Rs.)	1.29	0.69
Face value per share (in Rs.)	10.00	10.00

28. Payment to Auditors

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payments to the Statutory Auditors comprise (Excluding GST expense)		
For Statutory audit	16.50	12.50
For Tax Audit	1.00	1.00
For Certification work	1.60	1.60
For Out-of-pocket expenses	0.38	0.30
Total	19.48	15.40

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	455.24	377.43
Provided during the year		
Standard Assets	86.79	62.80
NPA Assets	(30.54)	44.58
Standard Assets restructured under COVID-19 Resolution Plan	(17.83)	45.02
Other contingencies	(75.71)	(74.59)
Closing balance	417.95	455.24

The Company has made provision for the Standard Assets, in accordance with Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by Reserve Bank of India (RBI). These norms require the Company to maintain provision of 0.25% on standard home loan assets across income segments. Considering the low-income group and economically weaker section of customers base of the Company; from the current financial year, has provided additional 0.15% (aggregate of 0.4%) on the standard home loans assets.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

30. Operating Leases

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Not later than 1 year	90.63	86.31
Later than 1 year and not later than 5 years	241.02	331.64
Later than 5 years	-	-

Lease rental charge to the Statement of Profit and Loss is ₹209.79 lakh (as on March 31, 2022: ₹110.36 lakh)

31. Contingent liabilities and commitments

Particulars	March 31, 2023	March 31, 2022
a. Contingent liabilities*	-	6.05
b. Commitments:		
(i) Commitments not provided for:		
• Estimated amount on account of contracts to be executed and not provided for (net of advance)	58.75	19.32
(ii) Commitments not provided for:		
• Commitments related to loans sanction but undrawn	759.33	506.31
• Commitments related to loans sanction but partially undrawn	6,775.24	4,827.03
Total	7,593.32	5,358.71

*Pertain to capital advance paid to vendor disallowed under Income Tax Act ("IT Act") by Assessing officer during AY19-20. Company has received an order from Income Tax department under section 250 of the Act, dated March 16, 2023, dismissing the appeal and disallowing the expenditure claimed by the Company. Accordingly, the Company has made a provision in current year towards tax liability along with the applicable interest.

32. Additional regulatory information under Clause Y, Division I of Schedule III

32.1. Utilisation of Borrowed funds and share premium:

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

- (i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

32. Additional regulatory information under Clause Y, Division I of Schedule III (Cont.)

32.2. Key financial ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	As at March 31,		Variance %
			2023	2022	
Current Ratio (Note 1)	Current Assets	Current liabilities	1.49	3.53	57.65
Debt-Equity Ratio (Note 1)	Borrowings	Shareholder's Equity	1.30	0.49	(163.06)
Debt Service Coverage Ratio	EBITDA [^]	Debt service	0.56	0.48	(16.67)
Return on Equity Ratio (Note 2)	PAT	Shareholder's Equity	3.88%	2.48%	(56.52)
Inventory Turnover Ratio	Not applicable	Not applicable	-	-	-
Trade Receivables Turnover Ratio	Not applicable	Not applicable	-	-	-
Trade Payables Turnover Ratio (Note 2)	Operating expenses	Average Trade Payables	20.46	25.20	18.81
Net Capital Turnover Ratio (Note 1 and Note 2))	Total Revenue	Working Capital	1.91	0.47	(307.04)
Net Profit Ratio	PAT	Net Operating income	19.37%	17.17%	12.81
Return on Capital Employed (Note 2)	EBIT	Shareholder's Equity	13.99%	5.87%	138.28
Return on Investment (assets)	PAT	Total Average Loan Assets	2.49%	2.38%	4.63

[^]Earnings before interest, taxes, depreciation and amortization.

Notes:

- The Company has borrowed funds from NHB and other bankers to the tune of Rs. 232.50 Crores for a loan tenure of 5 to 10 years, during the year ended March 31, 2023 which is approx. 3 times of borrowings of previous year (FY 2021-22 ₹87 crores). Increase in net borrowings has led to an increase in the debt ratios such as Current Ratio, Debt-Equity Ratio and Net Capital Turnover Ratio.
 - The revenue has increase due to higher disbursements of loans and advances during the year ended March 31, 2023 resulting the increase in profit for the year and Return on Equity Ratio and Return on Capital Employed ratio. Increase in disbursements of loans and advances and borrowings has led to corresponding increase in other expenses and trade payables affecting the Trade Payable Turnover Ratio and Capital Turnover Ratio.
- 32.3.** The Company has not entered into any Scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013, accordingly this disclosure is not applicable.
- 32.4.** The Company does not have any undisclosed income during the year.
- 32.5.** The Company is not covered under Section 135 of the Companies Act, 2013, and accordingly disclosures relating to Corporate Social Responsibility have not been made.
- 32.6.** The Company is a standalone entity; not part of any Group. Compliance with number of layers of companies is not applicable.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure as required by Reserve Bank of India

The following disclosures have been given in terms of Master Directions for Housing Finance Companies RBI/2020-21/73 DOR.FIN.HFC.CC. No.120/03.10.136/2020-21 issued by Reserve Bank of India (RBI) dated February 17, 2021. Further other related circulars issued in this regard by RBI/NHB from time to time have been compiled by the Management in accordance with Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended.

33.1. Capital

	March 31, 2023	March 31, 2022
a) CRAR (%)	81.31%	139.04%
b) CRAR - Tier I Capital (%)	80.23%	137.79%
c) CRAR - Tier II Capital (%)	1.08%	1.25%
d) Amount of subordinated debt raised as Tier- II Capital	-	-
e) Amount raised by issue of Perpetual Debt Instruments	-	-

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

	March 31, 2023	March 31, 2022
A. Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the NHB Act, 1987	31.04	31.04
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.	153.92	64.59
Total	184.96	95.63
B. 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.	179.14	89.33
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.	-	-
C. Balance at the end of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	31.04	31.04
(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	333.06	153.92
Total	364.10	184.97

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to Master Directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.3. Investments

	March 31, 2023	March 31, 2022
Value of Investments		
(i) Gross Value of Investment	-	5.66
(a) a. In India	-	-
(b) b. Outside India	-	-
(ii) Provision for Depreciation		
(a) a. In India	-	-
(b) b. Outside India	-	-
(iii) Net Value of Investments		
(a) a. In India	-	5.66
(b) b. Outside India	-	-
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	-	-

33.4. Derivatives

	March 31, 2023	March 31, 2022
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	-	-
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)	-	-

Disclosures on Risk Exposure in Derivatives

Qualitative disclosures: Nil

Quantitative Disclosure

	March 31, 2023	
	Currency Derivatives	Interest rate derivatives
i) Derivatives (Notional Principal Amount)	-	-
ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	-	-
iii) Credit Exposure	-	-
iv) Unhedged Exposures	-	-

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.5. Securitisation

(A) Securitisation transactions entered into by the HFC and outstanding as of March 31, 2023

	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, 2023	March 31, 2022
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, 2023	March 31, 2022
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, 2023	March 31, 2022
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 year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master circular RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.6. Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2023:

Particulars	1 day to 7 days	8 day to 14 days	15 days to 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	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from Banks/Financial institutions	93.96	-	270.41	430.41	415.00	1,599.77	3,728.09	12,394.92	8,975.14	2,637.31	30,545.01
Market borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	5.30	84.72	131.98	226.71	233.28	729.15	1,504.77	6,610.85	7,725.94	29,416.59	46,669.29
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Notes:-

1. Maturity pattern for advances includes prepayments based on management estimates and past historical trends
2. NPA assets are shown net of provision
3. Maturity pattern for initial 3 buckets <30 days is based on collection trends observed in past and demand presentation cycle of the Company
4. Borrowings excludes interest accrued but not due
5. 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 year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master circular RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.6 Asset Liability Management (continued)

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022:

Particulars	1 day to 7 days	8 day to 14 days	15 days to 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	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from Banks/Financial institutions*	21.67	-	116.69	151.25	388.71	612.72	1,231.04	4,751.61	2,704.35	1,172.33	11,150.37
Market borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	6.19	99.06	18.57	128.71	131.70	415.39	891.68	3,939.07	4,530.20	14,857.33	25,017.91
Investments	5.66	-	-	-	-	-	-	-	-	-	5.66
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Notes:-

1. Maturity pattern for advances includes prepayments based on management estimates and past historical trends
2. NPA assets are shown net of provision
3. Maturity pattern for initial 3 buckets <30 days is based on collection trends observed in past and demand presentation cycle of the Company
4. Borrowings excludes interest accrued but not due
5. 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 year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.7. Exposure

	March 31, 2023	March 31, 2022
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	42,930.68	22,663.30
- More than 15 Lakhs	3,784.25	2,430.79
Total	46,714.93	25,094.09
(ii) Commercial real estate		
Lending secured mortgage on commercial real estates (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 year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.8. Details of financing of parent company products

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

33.9. 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.

33.10. Unsecured advances - Nil

33.11. Exposure to group companies engaged in real estate business

	Amount	% of Net Owned Funds
(i) Exposure to any single entity in a group engaged in real estate business	-	-
(ii) Exposure to all entities in a group engaged in real estate business	-	-

33.12. Registrations obtained from other financial sector regulators

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

33.13. Penalties imposed by NHB and other regulators

	March 31, 2023	March 31, 2022
No. of penalties levied by NHB	Nil	Nil
Amount of penalty levied	Not Applicable	Not Applicable

33.14. 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.

33.15. Group Structure

The Company is a standalone entity; not part of any Group.

33.16. Ratings assigned by Credit Rating agencies

The Company had its instruments rated as under:

Rating Agency	Rating	Nature of Instrument	Financial Year
CARE Ratings	CARE BBB; Stable	Long Term Loan (Borrowings)	2022-23

33.17. Remuneration of Non-executive Directors

The information related to pecuniary relationship or transactions with the non-executive director of the company is disclosed in Note No. 24 to Financial Statements.

33.18. Prior period expenses and changes in accounting policies

	March 31, 2023	March 31, 2022
(a) Net profit/Loss for the period	895.69	446.66
(b) Impact of prior period items on current year's profit		
• Prior Period Income Tax liability	(0.49)	-
(c) Changes in accounting policies	Not Applicable	Not Applicable

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33.19. Revenue recognition

Other than pending bounce and other charges and penal interest which are recognized on receipt basis, there are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

33.20. 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.

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.21. Provisions and contingencies

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

	March 31, 2023	March 31, 2022
(a) Provisions for depreciation on investment	-	-
(b) Provision made towards income tax	246.77	149.95
(c) Provision for standard assets	86.79	62.80
(d) Provision for assets restructured under COVID-19 Resolution Plan	(17.83)	45.02
(e) Provision towards NPA	(30.54)	44.58
(f) Other contingency provision	(75.71)	(74.59)
(g) Write-off loan assets	112.23	-
(h) Others		
Gratuity	14.54	14.11
Compensated absences	7.22	5.14

2. Break up of Loans & Advances and Provisions thereon

	Housing		Non-Housing	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Standard assets				
a) Total outstanding amount	32,591.07	17,724.29	13,848.25	7,202.67
b) Provisions made	268.44	284.75	103.86	94.30
Sub-standard assets				
a) Total outstanding amount	178.44	35.45	54.07	23.41
b) Provisions made	26.77	5.32	8.11	3.51
Doubtful assets-Category I (upto 1 year)				
a) Total outstanding amount	27.41	61.36	15.70	2.53
b) Provisions made	6.85	22.34	3.92	0.63
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	-	43.21	-	1.18
b) Provisions made	-	43.21	-	1.18
Total				
a) Total outstanding amount	32,796.92	17,864.31	13,918.02	7,229.79
b) Provisions made	302.06	355.62	115.89	99.62

33.22. Drawdown from Reserves

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

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)
(All Amounts are in Indian Rupees in Lakhs)
33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)
33.23. 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, 2023	March 31, 2022
Total loan and advances to twenty largest borrowers	498.67	514.07
Percentage of Loans and advances to twenty largest borrowers to total advances of the Company	1.07%	2.05%

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

	March 31, 2023	March 31, 2022
Total exposure to twenty largest borrowers	505.78	545.83
Percentage of exposure to twenty largest borrowers to total exposure of the Company on borrowers	0.92%	1.79%

4. Concentration of NPA's

	March 31, 2023	March 31, 2022
Total Exposure to top ten NPA accounts	125.79	134.84
Percentage of exposure to top 10 NPA accounts to total exposure of the Company on borrowers	0.27%	0.54%

5. Sector-wise NPAs

	Percentage of NPAs to Total Advances in that sector	
	March 31, 2023	March 31, 2022
a. Housing Loans:		
Individuals	0.63%	0.78%
Builder/ Project Loans	-	-
Corporates	-	-
Others (specify)	-	-
b. Non-Housing Loans:		
Individuals	0.50%	0.38%
Builder/ Project Loans	-	-
Corporates	-	-
Others (specify)	-	-

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.24. Movement of NPA's

	March 31, 2023	March 31, 2022
(i) Net NPA's to Net Advances (%)	0.49%	0.36%
(ii) Movement of NPA's (Gross)	-	-
a) Opening balance	167.13	89.42
b) Additions during the year	232.51	82.69
c) Reductions during the year	124.02	4.98
d) Closing balance	275.62	167.13
(iii) Movement of Net NPA's	-	-
a) Opening balance	90.94	57.81
b) Additions during the year	197.63	37.36
c) Reductions during the year	58.61	4.23
d) Closing balance	229.96	90.94
(iv) Movement of provisions for NPA's (excluding provisions on standard assets)	-	-
a) Opening balance	76.19	31.61
b) Provisions made during the year	36.82	45.33
c) Write off/Write back of excess provisions	67.36	0.75
d) Closing balance	45.65	76.19

33.25. Overseas Assets: The Company does not have any Overseas Assets.

33.26. 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 Standards.

33.27. Disclosure of Complaints

	March 31, 2023	March 31, 2022
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	48	25
No. of complaints redressed during the year	48	25
No. of complaints pending at the end of the year	-	-

33.28. Percentage of outstanding loans against collateral of gold jewellery: Nil

33.29. Satisfaction of principal business criteria for HFC

The Company is in compliance with and has satisfied the principal business criteria as of Mar 31, 2021 for classification as a "Housing Finance Company" in accordance with RBI directions.

	March 31, 2023	March 31, 2022
% of Financial Assets in Housing Finance / Total Assets (net off intangible assets)	60.10%	52.28%
% of Assets in Housing Finance to Individuals / Total Assets (net off intangible assets)	60.10%	52.28%

33.30. Area of Operations, joint venture partners and overseas assets

The Company currently operates in six states of Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana and Rajasthan. The Company does not have any joint venture partners with regards to joint ventures and overseas subsidiaries.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.31. Schedule to Balance Sheet as Annexure III as per above Master Directions for the year ending March 31, 2023

Liabilities

1) Loans and advances:	March 31, 2023	March 31, 2022
Term loans	30,545.01	11,150.38
- Amount outstanding	-	-
- Amount overdue	-	-

Assets

2) Break-up of Loans and Advances including bills receivables	March 31, 2023	March 31, 2022
a) Secured	46,714.94	25,094.09
b) Unsecured	-	-

3) Break-up of Investments	March 31, 2023	March 31, 2022
Unquoted - Units of mutual funds	-	5.66

4) Borrower group-wise classification of assets financed as in (2) above	Amount net of provisions					
	March 31, 2023			March 31, 2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	46,714.94	-	46,714.94	25,094.09	-	25,094.09
Total	46,714.94	-	46,714.94	25,094.09	-	25,094.09

5) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	5.66	-	5.66
Total	-	5.66	-	5.66

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

33. Disclosure pursuant to master directions no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 issued by RBI (continued)

33.32. Schedule to Balance Sheet as Annexure III as per above Master Directions for the year ending March 31, 2022 (continued)

6) Other Information	March 31, 2023	March 31, 2022
1. Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	275.62	167.13
2. Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	229.97	90.94
2. Assets acquired in satisfaction of debt	-	-

34. Disclosure Pursuant to Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 issued by RBI

The Company has reported the below frauds to NHB/RBI reported during the period ended 31 March 2023

	March 31, 2023	March 31, 2022
No. of frauds reported to NHB	-	1
Amount involved in the fraud	-	23.62

35. Unhedged Foreign Currency Exposure

In terms of RBI Circular No. DBOD.No. BP.BC.85/21.06.200/2013-14 dt. 15.01.2014, there is no unhedged foreign currency exposure of the Company as at Balance sheet date.

36. Additional Disclosures: Disclosure Pursuant to Circular DOR.ACC.REC.No.20/21.04.018/2022-23 issued by RBI on Scale Based Regulation for NBFCs.

36.1. Sectoral Exposure

Sectors	March 31, 2023			March 31, 2022		
	Total Exposure	Gross NPA's	% of Gross NPAs to total exposure	Total Exposure	Gross NPA's	% of Gross NPAs to total exposure
1. Agriculture & Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
• Housing Loans	32,796.92	205.86	0.63%	17,864.31	140.02	0.78%
• Non-Housing Loans	13,918.02	69.76	0.50%	7,229.79	27.11	0.38%
Total Personal Loans	46,714.94	275.62	0.59%	25,094.10	167.13	0.67%
5. Others (specify)	-	-	-	-	-	-

36.2. Exposure to real estate sector

The information related to real estate exposures are disclosed in Note No. 33.7 to Financial Statements.

36.3. Related Party Disclosure

The information related to Related Party transactions are disclosed in Note No. 24 to Financial Statements.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

36. Additional Disclosures: Disclosure Pursuant to Circular DOR.ACC.REC.No.20/21.04.018/2022-23 issued by RBI on Scale Based Regulation for NBFCs (Cont.)

36.4. Disclosure of complaints

Top five grounds of complaints received from customers during the year ended March 31, 2023

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 day
1	2	3	4	5	6
1. Disbursement	-	10	25%	-	-
2. PMAY Subsidy	-	10	100%	-	-
3. Fore-closure letter	-	8	60%	-	-
4. Application / RoI	-	6	100%	-	-
5. Fees and Charges	-	5	25%	-	-
6. Loan Documents	-	-	-100%	-	-
7. Statement Related	-	-	-100%	-	-
8. Others	-	9	125%	-	-
Total	-	48	92%	-	-

Top five grounds of complaints received from customers during the year ended March 31, 2022

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 day
1	2	3	4	5	6
1. Disbursement	-	8	100%	-	-
2. PMAY Subsidy	-	-	100%	-	-
3. Fore-closure letter	-	5	100%	-	-
4. Application / RoI	-	-	100%	-	-
5. Fees and Charges	-	4	100%	-	-
6. Loan Documents	-	2	100%	-	-
7. Statement Related	-	2	100%	-	-
8. Others	-	4	300%	-	-
Total	-	25	100%	-	-

36.5. Corporate Governance

The information related to composition of the Board, its Committees and General Body meetings is disclosed in Board's Report.

36.6. Details of non-compliance with requirements of Companies Act, 2013

There is no non-compliance with respect to requirements of companies Act, 2013, accounting standards and secretarial standards.

36.7. Details of penalties and strictures

There are not penalties or stricture imposed by RBI or any other statutory authorities for the year ended on March 31, 2023 and March 31, 2022.

36.8. Breach of covenant

There is no breach of covenant with respect to any term loan and debt security issued for the year ended on March 31, 2023 and March 31, 2022.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

36. Additional Disclosures: Disclosure Pursuant to Circular DOR.ACC.REC.No.20/21.04.018/2022-23 issued by RBI on Scale Based Regulation for NBFCs (Cont.)

36.9. Divergence in Asset Classification and Provisioning

There is no divergence in asset classification and provisioning assessed by NHB/RBI for the year ended on March 31, 2023 and March 31, 2022.

36.10. Items of income and expenditure of exceptional nature

There are no items of income and expenditure of exceptional nature for the year ended on March 31, 2023 and March 31, 2022.

36.11. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

The statutory auditors have conducted audit and issued an unmodified opinion for the year ended on March 31, 2023 and March 31, 2022.

37. Note of Restructuring of Assets due to COVID-19

The economic fallout on account of the COVID-19 pandemic has led to significant financial stress for borrowers across the board. To address the financial stress caused by pandemic event, Reserve Bank of India on August 6, 2020 and May 5, 2021 issued Resolution Plan Frameworks for COVID-19-related Stress to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers.

The Company duly implemented as one time measure to offer the facility of restructuring to its eligible customers identified basis Company's internal assessment in compliance with RBI circular guidelines on resolution plan with key consideration being significant loss of income /employment and recovery road map assessment based on the customer profile. The details of the loan accounts restructured under the Resolution Plan as of September 30, 2022 is as below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of RP - As on April 01, 2022	Aggregate debt that slipped into NPA during the half year ended September 30, 2022	Amount written off during the half year ended September 30, 2022	Amount paid by the borrower during the half year ended September 30, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at September 30, 2022
Housing / Non-Housing loans (Personal Loans) *	809.72	170.93	-	21.93	616.86

The details of the loan accounts restructured under the Resolution Plan as of March 31, 2023 is as below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of RP - As on September 30, 2022	Aggregate debt that slipped into NPA during the half year ended March 31, 2023	Amount written off during the half year ended March 31, 2023	Amount paid by the borrower during the half year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at March 31, 2023
Housing / Non-Housing loans (Personal Loans) *	616.86	67.24	-	23.16	526.45

*Housing loans to individuals are classified under Personal loans as per RBI's circular on 'XBRL Returns - Harmonization of Banking Statistics' issued on Jan 04, 2018.

Notes forming part of financial statements for the year ended March 31, 2023 (Cont.)

(All Amounts are in Indian Rupees in Lakhs)

38. 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 M. P. Chitale & Co.
Chartered Accountants
 ICAI Firm Reg. No. 101851W

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

Sanat Ulhas Chitale
 Partner
 ICAI Membership No.: 143700

Vikrant Bhagwat
 Managing Director
 DIN: 06552246

Himanshu Joshi
 Independent Director
 DIN: 07214254

Place: Pune
Date: June 09, 2023

Vivek Jain
 Chief Financial Officer
Place: Pune
Date: June 09, 2023

Vrishti Kaushik
 Company Secretary

Page 91

Notes

Altum Credo Home Finance Private Limited | Annual Report 2022-23