

IVY PRODUCT INTERMEDIARIES LIMITED
(FORMERLY ING VYSYA FINANCIAL SERVICES LIMITED)

Annual Report 2016-17



**CHANGING
WITH INDIA.
FOR INDIA.**



DIRECTORS' REPORT

To the Members

The Board of Directors have pleasure in presenting the Thirtieth Annual Report of your Company together with the audited Balance sheet and Statement of Profit and Loss for the year ended 31st March, 2017 and Auditors' Report thereon.

FINANCIAL SUMMARY/ HIGHLIGHTS

Particulars	₹ in Lac	
	Year ended 31st March 2017	Year ended 31st March 2016
Gross Income	46.26	673.13
Profit before Depreciation and Tax	37.84	66.30
Depreciation	-	-
Profit before Tax	37.84	66.30
Provision for Tax	11.69	20.49
Profit after Tax	26.15	45.81
Balance of Profit from previous years	28.95	382.35
Amount available for appropriation	55.10	428.16
Appropriations:		
Proposed Dividend on Equity Shares	-	331.69
Corporate Dividend Tax	-	67.52
Surplus carried forward to the Balance Sheet	55.10	28.95

DIVIDEND

With a view to conserve your Company's resources, the Directors do not recommend any Dividend.

OUTLOOK

On 31 March 2015, The Reserve Bank of India ('the RBI') had approved Scheme of Amalgamation ("the Scheme") of then holding company ING Vysya Bank Limited with Kotak Mahindra Bank Limited (Bank) with effect from 1st April 2015. The approval letter of the RBI required the Bank to approach the RBI for allowing it to keep IVY Product Intermediaries Limited (Formerly ING Vysya Financial Services Limited) as their subsidiary, once the merger process is completed. RBI vide its letter dated 15th June 2015 had permitted the Bank to continue IVY Product Intermediaries Limited (Formerly ING Vysya Financial Services Limited) as its subsidiary till 30th September 2016. The Bank has since written to the RBI informing the Regulator of its decision to shift the registered office of IVY Product Intermediaries Ltd. to Mumbai and of its plans to consider merging IVY Product Intermediaries with any one of the Bank's existing subsidiaries.

SHIFTING OF REGISTERED OFFICE

Pursuant to the approval granted by the shareholders at the Extraordinary General Meeting held on 9th February 2017, the Company had made an application for shifting the registered office of the Company from No.22 M.G. Road, Bangalore, Karnataka 560001, located within the State of Karnataka to 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 located within the State of Maharashtra. The Regional Director, Hyderabad, vide its Order dated 31st March 2017 has granted its approval for alteration of the Memorandum of Association of the Company by substitution of the words 'State of Maharashtra' in place of the words 'State of Karnataka'.

REGISTRAR AND SHARE TRANSFER AGENTS

Kary Computer Share Private Limited continues to be the Registrar and Share Transfer Agent for the shares of the Company.

DIRECTORS

Mr. Mahesh Dayani, Director of the Company, retires by rotation at the Thirtieth Annual General Meeting and is eligible for re-appointment.

Mr. Ashok Rao B was the Managing Director of the Company till 30th June 2016. Thereafter he continues to be the Non-Executive Director of the Company.

Number of Board Meetings

During the year, 4 meetings of the Board of Directors were held.

AUDITORS

The Shareholders of the Company at the 28th Annual General Meeting held on 5th June, 2015 had appointed Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366WW-100018) as Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of the 28th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company.

Pursuant to the provisions of Rule 3 (7) of the Companies (Audit and Auditors) Rules, 2014, you are requested to ratify their appointment from the conclusion of the 30th Annual General Meeting till the conclusion of the 31st Annual General Meeting.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013.

All Related Party Transactions as required under Accounting Standards AS18 are reported in Notes to Accounts under Point no 3.18

PARTICULARS OF LOAN GUARANTEES OR INVESTMENTS

During the year the Company has not given any loans, guarantees or has made investment which attracts the provisions of Section 186 of Companies Act, 2013.

EMPLOYEES

The Company did not have any employee as on 31st March 2017. Accordingly, there are no employees whose particulars are required to be furnished under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DEPOSIT

The Company did not accept any deposits from the public during the year. Also there are no deposits due and outstanding as on 31st March, 2017.

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

The provisions pertaining to the Conservation of Energy and Technology Absorption are not applicable to your Company.

There were no foreign exchange earnings or outflow during the year under report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the management, confirm in pursuance of Section 134(5) of the Companies Act, 2013 that:

- i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- ii) the Directors 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 as at 31st March, 2017 and of the profit of the Company for the financial year ended 31st March, 2017;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ANNEXURES

Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 is annexed.

ACKNOWLEDGEMENT

Your Directors thank all the customers, advisors, auditors and advocates for their continued valuable support.

Your Directors place on record their gratitude for the overall support extended by the parent Company.

For and on behalf of the Board

Chetan Desai

Director

DIN:03506544

Mahesh Dayani

Director

DIN:06561389

Place: Mumbai

Date: 24th April 2017

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS :

i	CIN	U85110MH1987PLC294572
ii	Registration Date	04.02.1987
iii	Name of the Company	IVY PRODUCT INTERMEDIARIES LIMITED (previously known as ING Vysya Financial Services Limited)
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details "	27BKC, C-27, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051 Tel No.: (022) 61660000 Fax No.: (022) 67132403
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Plot 31-32, Karvy Selenium, Tower B, Gachibowli Financial District, Nanakramguda , Hyderabad – 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Activities auxiliary to financial activities	6619	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Kotak Mahindra Bank Limited	L65110MH1985PLC038137	Holding	100	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
i) Category-wise Shareholding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	60	60	0	0	60	60	0	0
b) Central Govt or State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	8845040	-	8845040	100	8845040	-	8845040	100	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	8845040	60	8845100	100	8845040	60	8845100	100	0
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8845040	60	8845100	100	8845040	60	8845100	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1) :-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Individuals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8845040	60	8845100	100	8845040	60	8845100	100	0

(ii) Share Holding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Kotak Mahindra Bank Limited	8845100	100.00	Nil	8845100	100.00	Nil	Nil
	Total	8,845,100	100.00		8,845,100	100.00	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NO CHANGE			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE			
	At the end of the year (or on the date of separation, if separated during the year)	NO CHANGE			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

NOT APPLICABLE

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares Decrease	No. of shares Increase	Reason		No. of shares	% of total shares
DIRECTORS									
	(Holding shares as nominee of Kotak Mahindra Bank Ltd. jointly with Kotak Mahindra Bank Ltd.)								
1	Ashok Rao	10	0.00	-	-	-	31-03-2016	10	0.00
							31-03-2017	10	0.00
2	Mahesh Dayani	10	0.00	-	-	-	31-03-2016	10	0.00
							31-03-2017	10	0.00
KEY MANAGERIAL PERSONNEL									

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	-	-	-	-
Additions			-	-
Reduction			-	-
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NOT APPLICABLE
A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. no.	Particulars of Remuneration	Name of the MD/WTD/Manager
1	Gross salary	-
2	Stock Option	-
3	Sweat Equity	-
4.	Commission - as % of profit - others, specify	- - -
5.	Others, please specify	-

B. Remuneration to other directors: NOT APPLICABLE

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2.	Other Non-Executive Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD NOT APPLICABLE

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option				
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	- -	- -	- -	- -
5.	Others, please specify				
	Total (A)	Nil	Nil	Nil	Nil

VII. PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT : NOT APPLICABLE					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

IVY PRODUCT INTERMEDIARIES LIMITED (FORMERLY ING VYSYA FINANCIAL SERVICES LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of **IVY PRODUCT INTERMEDIARIES LIMITED (Formerly ING Vysya Financial Services Limited)** (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, 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 prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 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.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rukshad N. Daruvala
Partner
Membership No.111188

Mumbai, April 24, 2017

“ANNEXURE A”

TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **IVY PRODUCT INTERMEDIARIES LIMITED (Formerly ING Vysya Financial Services Limited)** (the “Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366WW-100018)

Rukshad N. Daruvala
Partner
Membership No.111188

Mumbai, April 24, 2017

"ANNEXURE B"

TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the "Act").
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that the provisions of Sales Tax, Value Added Tax, Customs Duty and Excise Duty are not applicable to the Company

- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹)
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	FY 2003-2004	2,333,991/-
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	FY 2004-2005	1,702,793/-

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the CARO 2016 is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the CARO 2016 is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not contracted to pay managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013. Hence, reporting under clause 3(xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366WW-100018)

Rukshad N. Daruvala
Partner
Membership No.111188

Mumbai, April 24, 2017

BALANCE SHEET

AS AT 31 MARCH, 2017

(In ₹ thousands)

	Note	As at 31 March, 2017	As at 31 March, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3.1	22,113	22,113
Reserves and surplus	3.2	29,760	27,145
		51,873	49,258
CURRENT LIABILITIES			
Trade payables	3.3		
Due to Micro, Small and Medium Enterprises		-	-
Due to Others		369	4,680
Other current liabilities	3.4	-	1,157
Short-term provisions	3.5	522	40,825
		891	46,662
TOTAL		52,764	95,920
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3.6		
Property, Plant and Equipment		-	-
Intangible assets		-	-
Deferred tax asset	3.7	330	604
Long-term loans and advances	3.8	1,491	2,807
		1,821	3,411
CURRENT ASSETS			
Trade receivables	3.9	-	6,297
Cash and bank balances	3.10	50,205	79,217
Other current assets	3.11	738	6,995
		50,943	92,509
TOTAL		52,764	95,920
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements.			

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rukshad N. Daruvala
Partner

Place: Mumbai
Date: 24-April-2017

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited
(Formerly ING Vysya Financial Services Ltd)

Chetan Desai
Director
DIN:03506544

Place: Mumbai
Date: 24-April-2017

Mahesh Dayani
Director
DIN:06561389

STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands)

	Note	For the year ended 31 March, 2017	For the year ended 31 March, 2016
REVENUE			
Revenue from operations	3.12	89	61,873
Other income	3.13	4,537	5,440
Total revenue		4,626	67,313
EXPENSES			
Employee benefits expense	3.14	94	59,025
Other expenses	3.15	748	1,658
Total expenses		842	60,683
Profit before tax		3,784	6,630
Tax expense:			
- Current tax		895	1,677
- Deferred tax		274	372
Profit for the year		2,615	4,581
Earnings per equity share:			
Equity shares of par value of ₹ 2.50 each (previous year ₹ 2.50 each)	3.20		
Basic		0.30	0.52
Diluted		0.30	0.52
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements.			

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rukshad N. Daruvala
Partner

Place: Mumbai
Date: 24-April-2017

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited
(Formerly ING Vysya Financial Services Ltd)

Chetan Desai
Director
DIN:03506544

Mahesh Dayani
Director
DIN:06561389

Place: Mumbai
Date: 24-April-2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2017

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(In ₹ thousands)		
Cash flow from operating activities		
Profit before tax	3,784	6,630
Adjustments:		
Miscellaneous Income	(137)	-
Unbilled revenues	5,545	(5,545)
Interest income	(3,499)	(5,287)
Operating profit before working capital changes	5,693	(4,202)
Adjustments for changes in:		
Long-term loans and advances	89	(2)
Other current assets	(272)	63
Trade receivables	6,297	24,371
Trade payables	(4,311)	(1,654)
Other current liabilities and short term provisions	(1,539)	(1,020)
Cash generated from operations	5,957	17,556
Add: Net Income tax (paid) / refund (including interest)	470	11,933
Net cash flow generated by operating activities	(a) 6,427	29,489
Cash flow from investing activities		
Interest received	4,483	4,123
Redemption/maturity of bank deposits (having original maturity of more than three months)	2,521	(12,517)
Net cash flow generated from / (used in) investing activities	(b) 7,004	(8,394)
Cash flow from financing activities		
Dividend paid to shareholders	(33,169)	-
Tax on dividend paid	(6,752)	-
Net cash flow used in financing activities	(c) (39,921)	-
Net increase/(decrease) in cash and cash equivalents	(a+b+c) (26,490)	21,095
Cash and cash equivalents at the beginning of the year	29,581	8,486
Cash and cash equivalents at the end of the year	3,091	29,581
Other bank balances	47,114	49,636
Cash and bank balances as per balance sheet (Refer note 3.10)	50,205	79,217

The notes referred to above form an integral part of the financial statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rukshad N. Daruvala
Partner

Place: Mumbai
Date: 24-April-2017

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited
(Formerly ING Vysya Financial Services Ltd)

Chetan Desai
Director
DIN: 03506544

Place: Mumbai
Date: 24-April-2017

Mahesh Dayani
Director
DIN: 06561389

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

1. Company overview

IVY Product Intermediaries Limited ('the Company') is a 100% subsidiary of Kotak Mahindra Bank Limited ('the Bank'). The Company was incorporated on 4 February 1987 as a public limited company under the Companies Act, 1956 ('the Act') in the name of 'The Vysya Bank Leasing Limited'. In 2002, consequent to discontinuance of leasing business, the Company changed its name to 'Vysya Bank Financial Services Limited' with the object of carrying on business as brokers and agents for marketing and distribution of insurance products and mutual fund units on commission basis. Again in the year 2003, the Company changed its name to 'ING Vysya Financial Services Limited'. The Company which was a 100% subsidiary of ING Vysya Bank Ltd, become a 100% subsidiary of Kotak Mahindra Bank Limited consequent to the merger of ING Vysya Bank Limited with Kotak Mahindra Bank Limited, effective 01 April 2015 and the Company changed its name to 'IVY Product Intermediaries Limited' with effect from 18 April 2016. The Company is engaged in the business of non-fund / fee based activities of marketing and distribution of various financial products / services of the Bank.

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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting standards notified under Section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, incomes and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

2.3 Current – non – current classification

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

Assets

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

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

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

Liabilities

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

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

2.4 Property, Plant and Equipment:

Property, Plant and Equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is provided on the straight-line method over the estimated useful life of the assets at rates which are higher than the rates derived from the useful lives prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives over which the assets are depreciated are as follows:

Asset Type	Estimated useful life in Years
Office equipment	5
Computers and software	3

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of profit and loss.

2.5. Revenue recognition

Income received on outsourcing services is recognised based on contractual terms under the accrual basis of accounting.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.6. Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the year 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 year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised 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 carry forward of losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation 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 realised.

The Company offsets, on a year on year basis, current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

2.7. Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, Earnings Per Share. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

2.8. Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of 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. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in statement of profit and loss on a straight-line basis over the average period until the benefits become vested.

The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

Employees can carry-forward a portion of the unutilized accrued compensated absences and utilise it in future service periods. 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.

2.9. Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.10. Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash in hand, demand deposits with bank and short-term investments/deposits with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

3.1 - Share capital

Particulars	As at 31 March, 2017	As at 31 March, 2016
Authorised capital		
40,000,000 (Previous year: 40,000,000) equity shares of ₹.2.50 each	100,000	100,000
Issued, subscribed and paid-up capital		
8,845,100 (Previous year: 8,845,100) equity shares of ₹.2.50 each	22,113	22,113
	22,113	22,113

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights of equity shareholders are in proportion to their share in the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held after distribution of all preferential amounts. However, no such preferential amounts exist currently.

The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 March, 2017	As at 31 March, 2016
At beginning of the period	8,845,100	8,845,100
Issued during the period	-	-
At the end of the period	8,845,100	8,845,100

Shareholding pattern of the Company -

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No of Shares	% of Holding	No of Shares	% of Holding
All shares are held by the holding company, Kotak Mahindra Bank Limited and its nominees	8,845,100	100%	8,845,100	100%

For the period of five years immediately preceding the date of the balance sheet there were no share allotments made for consideration other than cash, no bonus shares have been issued and no buy back of shares have been made.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

3.2 - Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016
General reserve		
Opening balance	24,250	24,250
Add: Transfer from surplus	-	-
Closing balance	24,250	24,250
Surplus in statement of profit and loss		
Opening balance	2,895	38,235
Add:- Net profit for the year	2,615	4,581
Less:- Appropriations		
a) Proposed dividend (Previous Year ₹ 3.75 Per Equity Share)	-	33,169
b) Tax on proposed dividend	-	6,752
c) Transfer to reserves	-	-
Balance carried to balance sheet	5,510	2,895
	29,760	27,145

3.3 - Trade payables

Particulars	As at 31 March, 2017	As at 31 March, 2016
Other than Acceptances		
Due to Micro, Small and Medium Enterprises (refer note 3.19)	-	-
Due to Others	369	4,680
	369	4,680

3.4 - Other current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
Statutory liabilities	-	256
Contingency deposit	-	901
	-	1,157

3.5 - Short-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for employee benefits:		
Leave availment	-	139
Gratuity	-	564
Other Provisions:		
Provision for dividend	-	33,169
Tax on proposed dividend	-	6,752
Provision for Taxes (net of advance income tax)	522	201
	522	40,825

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

3.6 - Fixed assets

Particulars	Gross block			Accumulated depreciation and amortisation				Net block		
	As at 1 April, 2016	Additions	Deletions	As at 31 March, 2017	As at 1 April, 2016	For the year	Deductions	As at 31 March, 2017	As at 31 March, 2017	As at 31 March, 2016
Tangible assets:										
Computers	883	-	-	883	883	-	-	883	-	-
Office equipment	198	-	-	198	198	-	-	198	-	-
	1,081	-	-	1,081	1,081	-	-	1,081	-	-
Intangible assets:										
Computer software	41	-	-	41	41	-	-	41	-	-
	41	-	-	41	41	-	-	41	-	-
Total	1,122	-	-	1,122	1,122	-	-	1,122	-	-
Previous year	1,122	-	-	1,122	1,122	-	-	1,122	-	-

3.7 - Deferred tax asset

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deferred tax asset on -		
Provision for leave availment	-	43
Provision for gratuity	-	174
Depreciation on fixed assets	330	387
	330	604

3.8 - Long-term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
Secured and considered good		
- Loans to employees	-	89
Unsecured and considered good		
- Advance income taxes (net of provision for taxes)	1,226	2,453
- Security deposits	265	265
	1,491	2,718
Unsecured and considered doubtful		
- Advance income taxes (net of provision for taxes)	4,152	4,152
Less : Provision for doubtful advance	(4,152)	(4,152)
	-	-
	1,491	2,807

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

3.9 - Trade receivables (Unsecured, considered good)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables (outstanding for a period less than six months)*	-	6,297
	-	6,297

* Represents amount receivable from the holding company.

3.10 - Cash and bank balances

Particulars	As at 31 March, 2017	As at 31 March, 2016
Cash and cash equivalents		
- Cash in hand	-	-
- Balance with banks in current accounts	3,091	29,581
Other bank balances		
-Fixed Deposits*	47,114	49,636
	50,205	79,217

*Includes Deposits due for Maturity after 12 Months from the Reporting Date ₹ Nil (Previous Year ₹ 7,554)

3.11 - Other current assets

Particulars	As at 31 March, 2017	As at 31 March, 2016
Unbilled revenues	-	5,545
Interest accrued on bank deposit	466	1,450
Cenvat receivable	17	-
Others	255	-
	738	6,995

3.12 - Revenue from operations

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Outsourcing income	89	61,873
	89	61,873

3.13 - Other income

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest income on bank deposits	3,362	3,407
Interest income on income tax refund	137	1,880
Miscellaneous income (Including contingency deposit no longer required written back)	1,038	153
	4,537	5,440

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

3.14 - Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and bonus	90	53,975
Contribution to provident fund and other funds	4	5,388
Gratuity and compensated absence (refer note 3.22)	-	(548)
Insurance	-	170
Staff welfare expenses	-	40
	94	59,025

3.15 - Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Professional charges	132	1,103
Auditor's remuneration (refer note 3.21)	300	330
Travelling and conveyance	6	17
Printing and stationery	1	7
Postage and telegram	1	12
Telephone	-	81
Rates and taxes	113	44
Repairs and maintenance	-	60
Miscellaneous expenses	4	4
Unbilled revenue written off (Net of expense provision no longer required - ₹ 3,088 (Previous year ₹ Nil))	191	-
	748	1,658

3.16 - Contingent liabilities and commitments

Particulars	As at 31 March, 2017	As at 31 March, 2016
Income tax demand for which appeals are pending	-	816
Service tax demand for which appeals are pending	4,037	4,037
	4,037	4,853

3.17 - Segment Reporting

The Company's sole business segment is 'outsourcing activities' and only geographical segment is 'India'. The Company considers 'business segment' as the primary segment and geographical segment based on location of customers as a secondary segment. Since the Company has a single business segment and a single geographical segment, disclosures pertaining to the primary and secondary segments have not been presented.

3.18 - Related party transaction

Names of related parties	Nature of relationship
Kotak Mahindra Bank Ltd	Holding company

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

Transactions with the related party

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Revenue from operations	89	61,873
Interest income	3,362	3,407
Dividend paid	33,169	-

Balances receivables from the related party

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade Receivables	-	6,297
Interest accrued on bank deposits	466	1,450

Cash and bank balances with the related party

Particulars	As at 31 March, 2017	As at 31 March, 2016
In current account	3,063	29,184
In deposit account	47,114	49,636

3.19. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006 certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. This has been reported by the Management and relied upon by the Auditors.

3.20. Earnings per share ('EPS')

Reconciliation of the number of shares used in the computation of basic and diluted earnings per share:

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Weighted average number of equity shares outstanding during the year for computation of basic earnings per share	8,845,100	8,845,100
Weighted average number of equity shares outstanding during the year for computation of diluted earnings per share	8,845,100	8,845,100
Net profit for the year	2,615	4,581
Basic and Diluted earnings per share of face value ₹ 2.50 each	0.30	0.52

3.21 - Auditors' remuneration (excluding service taxes)

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
As auditor		
Statutory audit	250	250
Tax audit	50	50
Reimbursement of expenses	-	30
	300	330

3.22 Employee Benefits

a) Defined contribution Plans

The Company has defined contribution plans in respect of provident fund and medical benefits under Employees State Insurance Corporation Act. Contribution to Employees Provident Fund amounted to ₹ 1 (Previous Year - ₹ 2,328) and contribution to Employees State Insurance Corporation amounted to ₹ 3 (Previous Year - ₹ 3,060).

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2017

(In ₹ thousands except shares related data)

b) Defined Benefit plans

The Company has defined benefit plans for gratuity and leave. Every employee who has completed five years or more of service is entitled to gratuity at 15 days salary (last drawn salary) for each completed year of service, on leaving the Company.

In the case of leave availment, unutilized leave upto a maximum of 60 days can be carried over and availed in subsequent years of service. The liability recognised in the Balance Sheet on actual liability basis for Gratuity is ₹ Nil (Previous Year - ₹ 564) and for leave availment is ₹ Nil (Previous Year - ₹ 139) since there are no employees at any time during the year.

3.23 Disclosure on Specified Bank Notes (SBN*):

The company does not maintain any Physical cash in Hand. All the transactions are conducted through the Bank Accounts of the Company.

	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

*Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

3.24 Unhedged Foreign Currency Exposures as on 31 March 2017 is ₹ Nil (Previous Year - ₹ Nil)

3.25 On 31 March 2015, The Reserve Bank of India ('the RBI') had approved Scheme of Amalgamation ("the Scheme") of then holding company ING Vysya Bank Limited with Kotak Mahindra Bank Limited with effect from 1 April 2015. The approval letter of the RBI required Kotak Mahindra Bank Limited to approach the RBI for allowing it to keep IVY Product Intermediaries Limited (Formerly ING Vysya Financial Services Limited) as their subsidiary, once the merger process is completed. RBI vide its letter dated 15 June 2015 had permitted Kotak Mahindra Bank Ltd to continue IVY Product Intermediaries Limited (Formerly ING Vysya Financial Services Limited) as its subsidiary till 30 September 2016. Kotak Mahindra Bank Ltd has since written to the RBI informing the Regulator of its decision to shift the registered office of IVY Product Intermediaries Ltd. to Mumbai and of its plans to consider merging IVY Product Intermediaries with any one of the Bank's existing subsidiaries and accordingly, the financial statements have been prepared on going concern basis. Further, an order dated 31 March 2017 has been received from Regional Director -MCA Hyderabad granting approval to shift the Registered office of IVY Product Intermediaries Ltd. from the State of Karnataka to the State of Maharashtra.

3.26 Previous year figures have been regrouped/reclassified to conform to the current year classification.

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited
 (Formerly ING Vysya Financial Services Ltd)

Chetan Desai
 Director
 DIN :03506544

Mahesh Dayani
 Director
 DIN:06561389

Place: Mumbai
 Date: 24-April-2017

