Annual Report 2018-19

kotak

Courage
of Conviction.
Constancy
of Change.

Directors' Report

To the Members

IVY Product Intermediaries Limited

The Board of Directors have pleasure in presenting the Thirty-Second Annual Report of your Company together with the audited Balance sheet and Statement of Profit and Loss for the year ended 31st March, 2019 and Auditors' Report thereon. The Financial statements have been prepared in accordance with Indian Accounting standards (Ind AS) under historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair value.

FINANCIAL HIGHLIGHTS

₹ in Lac

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Gross Income	36.70	34.16
Profit before Depreciation and Tax	33.27	26.22
Depreciation	-	-
Profit before Tax	33.27	26.22
Provision for Tax	9.22	10.23
Profit after Tax	24.05	15.99
Balance of Profit from previous years	71.02	55.03
Amount available for appropriation	95.07	71.02
Appropriations:		
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	-	-
Surplus carried forward to the Balance Sheet	95.07	71.02

DIVIDEND

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

OUTLOOK

On 31st 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 it's subsidiary till 30th September 2016. Kotak Mahindra 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. Further, an order dated 31st March 2017 has been received from Regional Director -MCA Hyderabad granting approval to shift the Registered office of IVY Products Intermediaries Ltd from the State of Karnataka to the State of Maharashtra. The Bank is in the process of evaluating various options with respect to its plan of merging IVY Product Intermediaries Ltd with any one of its existing subsidiaries or continuing it as a standalone entity.

REGISTRAR AND SHARE TRANSFER AGENTS

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

DIRECTORS

Mr. Ambuj Chandna (DIN: 07015582), Director of the Company, retires by rotation at the Thirty Second Annual General Meeting and is eligible for re-appointment.

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. 117366W/W-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 33rd Annual General Meeting of the Company.

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 Ind AS 24 are reported in Notes to Accounts under Point no 21.

COMPLIANCE WITH SECRETARIAL STANDARDS
Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the FY 2018-2019.

PARTICULARS OF LOAN GUARANTEES OR INVESTMENTS
During the year your Company has not given any loans, guarantees or has made investment which attracts the provisions of Section 186 of Companies Act, 2013.

EMPLOYEES
Your Company did not have any employee as on 31st March 2019. 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
Your Company did not accept any deposits from the public during the year. Also there are no deposits due and outstanding as on 31st March, 2019.

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, 2019 and of the profit of the Company for the financial year ended 31st March, 2019;

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.

ANNEXURE

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

The Board takes this opportunity to place on record its gratitude for the valuable guidance and support received from the regulatory authorities.

For and on behalf of the Board

Chetan Desai	**Ambuj Chandna**
Director	Director
DIN:03506544	DIN: 07015582

Place: Mumbai
Date: 31st May 2019

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As On Financial Year Ended On 31st March 2019

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

I REGISTRATION & OTHER DETAILS

i	CIN	U85110MH1987PLC294572
ii	Registration Date	04.02.1987
iii	Name of the Company	IVY PRODUCT INTERMEDIARIES LIMITED
iv	Category/Sub-category of the Company	Public Company, Company Limited by Shares Indian Non - Government Company
v	Address of the Registered office & contact details	27 BKC, C 27, G Block Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Tel No - (022) 61660001 Fax No - (022) 69132403
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Plot 31-32, Karvy Selenium, Tower B, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel :- (040) 67162222

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 & 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	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	8845040	60	8845100	100	8845040	60	8845100	100	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	**8845040**	**60**	**8845100**	**100**	**8845040**	**60**	**8845100**	**100**	**0**
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
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.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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	
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
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 (equity shares)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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 (alongwith its nominees)	8845100	100	Nil	8845100	100	Nil	Nil
	Total	**8,845,100**	**100**	**Nil**	**8,845,100**	**100**	**Nil**	**Nil**

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

Sl. No.				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 Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	-	-

(iv) Shareholding Pattern of top ten Equity 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:

Slno	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	Chetan Desai	10	0.00	-	-	-	31-03-2018	10	0.00
							31-03-2019	10	0.00
2	Himanshu Vasa	10	0.00	-	-	-	31-03-2018	10	0.00
							31-03-2019	10	0.00
	KEY MANAGERIAL PERSONNEL				**NIL**				

V INDEBTEDNESS

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness 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					
-Addition		-	-	-	
-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:

A. Remuneration to Managing Director, Whole time director and/or Manager: Not applicable

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 the 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.	**NA**	**NA**	**NA**	**NA**

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	Gross Salary					
	(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	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

VII PENALTIES/PUNISHMENT/COMPOUNDING 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**			**NIL**		
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B.	**DIRECTORS**			**NIL**		
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C.	**OTHER OFFICERS IN DEFAULT**			**NIL**		
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

Independent Auditors' Report

TO THE MEMBERS OF IVY PRODUCT INTERMEDIARIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **IVY PRODUCT INTERMEDIARIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITY 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 auditors' 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the 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 auditors' 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 auditors' 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.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company has not contracted to pay remuneration to its directors during the year.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

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, May 31, 2019

Annexure "A"

To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Reporting Responsibilities section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting

We have audited the internal financial controls over financial reporting of **IVY PRODUCT INTERMEDIARIES LIMITED** ((“the Company”) as of March 31, 2019 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 auditors' 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 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, 2019, 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. 117366W/W-100018)

Rukshad N. Daruvala
Partner
Membership No.111188

MUMBAI, May 31, 2019

Annexure “B”

To the Independent Auditors’ Report

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

(i) In respect of Company’s fixed assets:

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

(b) The Company has written-off all the fixed assets during the year ended March 31, 2018 and accordingly no physical verification has been carried out by the Management.

(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 Companies (Auditor’s Report) Order 2016 (“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 been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that the provisions of Employees’ State Insurance, 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, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) There are no disputed dues of income tax which have not been deposited as on March 31, 2019.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)
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. 117366W/W-100018)

Rukshad N. Daruvala
Partner
Membership No.111188

MUMBAI, May 31, 2019

Balance Sheet
as at March 31, 2019

(Amount in 000's)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	-	-	-
(b) Other Intangible assets	3	-	-	-
(c) Financial Assets				
i. Other non-current financial assets	4	227	298	265
(d) Non current tax assets	5	373	522	1,226
(e) Deferred tax assets (Net)	6	3	3	333
Sub total		**603**	**823**	**1,824**
Current Assets				
(a) Financial Assets				
(i) Cash and cash equivalents	7	55,050	52,683	50,195
(ii) Other current financial assets	8	641	283	466
(b) Other current assets	9	-	-	272
Sub total		**55,691**	**52,966**	**50,933**
Total Assets		**56,294**	**53,789**	**52,757**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	10	22,113	22,113	22,113
(b) Other Equity	11	33,757	31,352	29,753
Sub total		**55,870**	**53,465**	**51,866**
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables				
- Total outstanding dues of creditors other than micro,medium and small enterprises.	12	328	324	369
(b) Current tax liabilities (Net)	13	96	-	522
Sub total		**424**	**324**	**891**
Total Equity and Liabilities		**56,294**	**53,789**	**52,757**
Significant Accounting Policies & Notes to Accounts	1-28			

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 : May 31, 2019

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited

Chetan Desai
Director
DIN:03506544

Ambuj Chandna
Director
DIN:07015582

Place : Mumbai
Date : May 31, 2019

Statement of Profit And Loss

for the year ended March 31, 2019

(Amount in 000's)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE				
I	Revenue from Operations		-	-
II	Other Income	14	3,670	3,416
III	**Total Income (I+II)**		**3,670**	**3,416**
IV	**EXPENSES**			
	Employee benefits expenses	15	2	1
	Other expenses	16	341	793
	Total expenses (IV)		**343**	**794**
V	**Profit before tax (III-IV)**		**3,327**	**2,622**
VI	**Tax expense**	17		
	(1) Current tax		919	763
	(2) Current tax pertaining to prior periods		3	(70)
	(3) Deferred tax charge/(credit)		-	330
	Total tax expense (1+2+3)		**922**	**1,023**
VII	**Profit for the year (V-VI)**		**2,405**	**1,599**
VIII	**Other comprehensive income**		-	-
IX	**Total Comprehensive Income for the year (VII+VIII)**		**2,405**	**1,599**
X	**Earnings per equity share**	18		
	Basic (₹)		0.27	0.18
	Diluted (₹)		0.27	0.18
Significant Accounting Policies & Notes to Accounts		1-28		

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 : May 31, 2019

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited

Chetan Desai
Director
DIN:03506544

Ambuj Chandna
Director
DIN:07015582

Place : Mumbai
Date : May 31, 2019

Statement of Cash Flow

for the year ended March 31, 2019

(Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,327	2,622
Adjustments:		
(a) Provision for impairment	1	-
(b) Interest income	(3,670)	(3,321)
(C) Cenvat receivable / Other receivable written off	-	272
Operating profit before working capital changes	**(342)**	**(427)**
Working capital changes		
(a) Increase / (decrease) in financial liabilities	4	(45)
(b) (Increase)/ Decrease in other non-current financial assets	-	38
Cash generated from operations	**(338)**	**(434)**
Income tax paid (net of refunds)	(677)	(511)
Net cash flows (used in) operating activities (A)	**(1,015)**	**(945)**
CASH FLOW FROM INVESTING ACTIVITIES		
(a) Placed / maturity of Bank deposits (having original maturity of more than 3 mths)	(3,590)	(4,237)
(b) Interest received	3,383	3,433
Net cash flows generated used in investing activities (B)	**(207)**	**(804)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash flows generated from financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (A+B+C)	**(1,222)**	**(1,749)**
Cash and cash equivalents at the beginning of the year	1,342	3,091
Cash and cash equivalents at the end of the year	**120**	**1,342**
Reconciliation of cash and cash equivalents with the balance sheet (refer note 7)		
Balances with banks in current account	120	1,342
Balance in fixed deposits with maturity period of less than 12 months	54,341	42,701
Balance in fixed deposits with maturity period more than 12 months	600	8,650
Less: Impairment loss allowance	(11)	(10)
Cash and cash equivalents as restated as at the year end	**55,050**	**52,683**

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'.

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 : May 31, 2019

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited

Chetan Desai
Director
DIN:03506544

Ambuj Chandna
Director
DIN:07015582

Place : Mumbai
Date : May 31, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance at the beginning of the reporting year	22,113	22,113	22,113
Changes in equity share capital during the year	-	-	-
Balance at the end of the reporting year	**22,113**	**22,113**	**22,113**

B. Other equity

(Amount in 000's)

Particulars	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	**24,250**	**5,503**	**29,753**
Profit for the year	-	1,599	1,599
Balance as at March 31, 2018	**24,250**	**7,102**	**31,352**
Profit for the year	-	2,405	2,405
Balance as at March 31, 2019	**24,250**	**9,507**	**33,757**

Significant Accounting Policies & Notes to Accounts: Note 1-28

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 : May 31, 2019

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited

Chetan Desai
Director
DIN:03506544

Ambuj Chandna
Director
DIN:07015582

Place : Mumbai
Date : May 31, 2019

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

A. Corporate information

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.

In accordance with Ind As 101 on first time adoption of Indian Accounting standards, the Company's first Ind As financial statements include three Balance sheets, namely opening Balance sheets as at 1st April 2017 and Balance sheets as at 31st March 2018 and 31st March 2019 and two statements each of profit and Loss, cash flows and Statement of changes in Equity for the years ended 31st March 2018 and 31st March 2019 together with related notes. The same accounting policies have been used for all periods presented, except where the Company has made use of exceptions or exemptions allowed under Ind As 101 in the preparation of the opening Ind As Balance Sheet.

B. Basis of Preparation
Statement of compliance

The Financial statements are prepared in accordance with the Indian Accounting Standards (Ind As) under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting Principles generally accepted in India.

The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in lnd AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the comparative previous year has been restated / reclassified. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Equity, Statement of Profit and Loss and Cash Flows are provided in Note 24 & Note 25.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2017 being the 'date of transition to Ind AS'. These standalone financial statements were authorised for issue by the Company's Board of Director's on May 31, 2019.

a) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest thousand, except when otherwise indicated.

b) Note on critical accounting judgements and key sources of estimation, uncertainity

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Schedules forming part of Balance Sheet and Profit and Loss Account

I. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, depreciation carry-forwards and unused tax credits could be utilized.

II. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

III. Impairment of financial assets

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

c) Standard issued but not effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs ('MCA') on March 30, 2019) which are effective for annual period beginning after April 1, 2019.

Ind AS 116 – Leases

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company has concluded that there is no impact of new lease standard on its financial statements.

d) Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective amended standards.

I. Amendments to Ind AS 19 Employee Benefits

This amendment requires:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in the Statement of Profit and Loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company has concluded that there is no impact of above amendments on its financial statements.

Schedules forming part of Balance Sheet and Profit and Loss Account

C. Significant accounting policies

a) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Deprecation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. Estimated useful lives of assets based on technical evaluation by management are as follows:

Computers	3 years
Office Equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b) Revenue recognition of income

Revenue is measured at the fair value of the consideration received or receivable. Interest income from a financial asset is recognised when it is probable the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the excepted life of the financial asset to the asset's net carrying amount of initial recognition.

c) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income (OCI).

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Schedules forming part of Balance Sheet and Profit and Loss Account

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

d) Employee benefits

Defined Contribution Plan

Provident Fund/Employee State Insurance Scheme
The Company's contribution to government provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no further obligations.

e) Earnings per share
Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

f) Impairment of non-financial assets
The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

g) Provisions and contingent liabilities
A provision is recognised when the Company has a present obligation as a result of past events 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. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but disclosed in the notes.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and Initial measurement

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

Classification

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to the management. The information considered includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit and Loss. The losses if any, arising from impairment are recognised in the Statement of Profit and Loss.

Schedules forming part of Balance Sheet and Profit and Loss Account

i) **Impairment of Financial Assets**

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost, such as Cash and cash equivalents, Bank Deposit and other financial assets.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

ECL are a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date:

  ECL has been estimated by determining the probability of default ('PD'), Exposure At Default ('EAD') and loss given default ('LGD').

  PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.

- Financial assets that are credit impaired at the reporting date:

  ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Lifetime ECL)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- **Stage 1: 12 month ECL:**
  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (not credit impaired):**
  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

  For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 3: Lifetime ECL (credit impaired):**
  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

  If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Method used to compute lifetime ECL:
The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate 12 month ECL and lifetime ECL.

Manner in which forward looking assumptions has been incorporated in ECL estimates:
The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

j) Measurement of fair values
The Company's accounting policies and disclosures require fair value measurement of financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

k) Cash and cash equivalents
Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

m) Current versus non-current classification
The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

(Amount in 000's)

Particulars	Office equipment	Computers	Total
Deemed cost as at April 1, 2017	-	-	-
Additions during the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2018	-	-	-
Accumulated depreciation as at April 1, 2017	-	-	-
Depreciation for the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2018	-	-	-
Net carrying amount as at March 31, 2018	-	-	-
Balance as at April 1, 2018	-	-	-
Additions during the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2019	-	-	-
Accumulated depreciation as at April 1, 2018	-	-	-
Depreciation for the year	-	-	-
Disposals during the year	-	-	-
Balance as at March 31, 2019	-	-	-
Net carrying amount as at March 31, 2019	-	-	-

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the property plant and equipment as on the date of transition (April 1, 2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

(Amount in 000's)

Particulars	Office equipment	Computers	Total
Gross Block	198	883	1,081
Accumulated Depreciation	(198)	(883)	(1,081)
Net Block	-	-	-

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for property, plant and equipment.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 3 INTANGIBLE ASSETS

(Amount in 000's)

Particulars	Software	Total
Deemed cost as at April 1, 2017	**-**	**-**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2018	**-**	**-**
Accumulated depreciation and impairment as at April 1, 2017		**-**
Amortisation for the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2018	**-**	**-**
Net carrying amount as at March 31, 2018	**-**	**-**
Balance as at April 1, 2018	**-**	**-**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2019	**-**	**-**
Accumulated depreciation and impairment	**-**	**-**
Amortisation for the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2019	**-**	**-**
Net carrying amount as at March 31, 2019	**-**	**-**

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the intangible assets as on the date of transition (April 1,2017) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

(Amount in 000's)

Particulars	Software	Total
Gross Block	41	41
Accumulated Depreciation	(41)	(41)
Net Block	**-**	**-**

Impairment loss and reversal of impairment loss
There is no impairment loss recognised for intangible assets

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 4 OTHER NON-CURRENT FINANCIAL ASSETS

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial asset carried at amortised cost			
Security deposits	227	227	265
Interest Accrued on Fixed Deposit	-	71	-
Total	**227**	**298**	**265**

NOTE 5 NON CURRENT TAX ASSETS

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured and considered good			
Advance Income taxes (net of provision for Tax)	373	522	1,226
Unsecured and considered dobutful			
Advance Income taxes (net of provision for Tax)	4,152	4,152	4,152
Less:Provision for Doubtful advance	(4,152)	(4,152)	(4,152)
Total	**373**	**522**	**1,226**

NOTE 6 DEFERRED TAX ASSET (NET)
Movement in deferred tax balances

(Amount in 000's)

Particulars	March 31, 2019				
	Net balance March 31, 2018	Recognised in profit or loss	Net	Deferred tax asset as at March 31, 2019	Deferred tax liability as at March 31, 2019
Deferred tax asset/(liabilities)					
Impairment on Bank Balances	3	-	3	3	-
Total	**3**	**-**	**3**	**3**	**-**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in 000's)

Particulars	March 31, 2018				
	Net balance April 1, 2017	Recognised in profit or loss	Net	Deferred tax asset as at March 31, 2018	Deferred tax liability as at March 31, 2018
Deferred tax asset/(liabilities)					
Property, plant and equipment	330	(330)	-	-	-
Impairment on Bank Balances	3	-	3	3	-
Total	**333**	**(330)**	**3**	**3**	**-**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTE 7 CASH AND CASH EQUIVALENTS

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with banks in current account	120	1,342	3,091
Balance in fixed deposits with maturity period of less than 12 months	54,341	42,701	47,114
Total cash and cash Equivalents	**54,461**	**44,043**	**50,205**
Other Bank Balances			
Balance in fixed deposits with maturity period of more than 12 months	600	8,650	-
Total Other Bank Balances	**600**	**8,650**	**-**
Less: Impairment loss allowance	(11)	(10)	(10)
Total	**55,050**	**52,683**	**50,195**

NOTE 8 OTHER CURRENT FINANCIAL ASSETS

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01,2017
Interest Accrued on Deposits with Maturity Less than 12 Months	641	283	466
Total	**641**	**283**	**466**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 9 OTHER CURRENT ASSETS

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01,2017
Cenvat credit receivable	-	-	17
Others	-	-	255
Total	**-**	**-**	**272**

NOTE 10 EQUITY SHARE CAPITAL

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01,2017
Authorised			
40,000,000 (March 31, 2018: 40,000,000 April 1, 2017: 40,000,000) equity shares of ₹2.50 each with voting rights	100,000	100,000	100,000
Issued, subscribed and paid up			
8,845,100 (March 31, 2018: 8,845,100 April 1, 2017: 8,845,100) equity shares of ₹2.50 each with voting rights	22113	22113	22113

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

Particulars	No. of shares	Amount (in 000's)
Equity shares of ₹ 2.50 each, fully paid-up		
As at April 1, 2017	8,845,100	22,113
Add/(less) : Movement during the year	-	-
As at March 31, 2018	8,845,100	22,113
Add/(less) : Movement during the year	-	-
As at March 31, 2019	8,845,100	22,113

b. 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.

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited	88,45,100	100%	88,45,100	100%	88,45,100	100%

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 11 OTHER EQUITY

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01,2017
General Reserve	24,250	24,250	24,250
Retained Earnings	9,507	7,102	5,503
Total	**33,757**	**31,352**	**29,753**

a. Other equity movement

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserves		
Opening balance	24,250	24,250
Addition during the year	-	-
Closing balance	**24,250**	**24,250**
Retained Earnings		
Opening balance	7,102	5,503
Addition during the year	2,405	1,599
Closing balance	**9,507**	**7,102**

NOTE 12 FINANCIAL LIABILITIES

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01,2017
Trade payables			
Total outstanding to micro,small and medium enterprises	-	-	-
Total outstanding to others	328	324	369
Total	**328**	**324**	**369**

Based on the intimation received by the company, none of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprises Development Act, 2006 , accordingly no disclosures relating to the amounts unpaid as at the year end together with the interest paid or payable are required to be furnished. The above information has been reported by the Management and relied upon by the Auditors.

NOTE 13 CURRENT TAX LIABILITIES (NET)

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01,2017
Provision for Income taxes (net of Advance Tax)	96	-	522
Total	**96**	**-**	**522**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 14 OTHER INCOME

(Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	3,670	3,321
Miscellaneous Income (Including contingency Deposit no longer required,written back)	-	95
Total	**3,670**	**3,416**

NOTE 15 EMPLOYEE BENEFITS EXPENSES

(Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident and other funds	2	1
Total	**2**	**1**

NOTE 16 OTHER EXPENSES

(Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling and conveyance	-	1
Legal, professional and consultancy charges	31	186
Rates and taxes	7	18
Bank charges	3	2
Auditors Remuneration (Refer note 20)	250	253
Impairment on Bank balances	1	-
Miscellaneous expenses	49	333
Total	**341**	**793**

NOTE 17 TAX EXPENSE

(a) Amounts recognised in profit and loss

(Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense		
Current year	919	763
Changes in estimated related to prior years	3	(70)
Total current tax expense (A)	**922**	**693**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	330
Deferred tax expense (B)	**-**	**330**
Tax expense for the year (A)+(B)	**922**	**1,023**

(b) Reconciliation of effective tax rate

(Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	3327	2622
Tax using the Company's domestic tax rate (Current Year 26% , Previous Year 25.75%)	865	675
Increase / (Reduction) in tax rate	0%	-5%
Tax effect of:		
Tax effects of amounts which are not deductible for taxable income	54	88
Changes in estimated related to prior years	3	330
MAT Credit entitlement		(400)
Total income tax expenses	**922**	**693**

NOTE 18 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Amount in 000's)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A)	**Net profit attributable to equity holders (in '000s)**	2,405	1,599
B)	**Profit attributable to equity holders of the Company adjusted for the effect of dilution**	2,405	1,599
C)	**Weighted average number of ordinary shares**		
	Issued ordinary shares at the beginning of the year	8,845	8,845
	Weighted average number of shares (in '000s) at the end of the year for basic EPS	8,845	8,845
D)	**Weighted average number of shares adjusted for the effect of dilution**	8,845	8,845
E)	**Face value per share (INR)**	**2.50**	**2.50**
F)	**Basic earnings per share (INR)**	**0.27**	**0.18**
G)	**Diluted earnings per share (INR)**	**0.27**	**0.18**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 19 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(Amount in 000's

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contingent liabilities:			
Service tax demand in respect of which appeal is pending	4,037	4,037	4,037
Total	**4,037**	**4,037**	**4,037**

NOTE 20 PAYMENT TO AUDITORS

Amount in 000's)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Payment to the auditor as:		
Audit fees	250	250
For reimbursement of expenses	-	3
Total	**250**	**253**

NOTE 21 RELATED PARTY DISCLOSURES

i. Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
	Holding company:		
a)	Kotak Mahindra Bank Limited	India	100.00%

(Amount in 000's)

Sr. No.	Nature of Transaction	Year ended March 31	Holding Company	Total
i)	Term Deposits Placed	2019	55,582	55,582
	(Including Interest Accrued)	2018	51,705	51,705
		2017	47,580	47,580
ii)	Interest Income	2019	3,670	3,670
		2018	3,321	3,321
iii)	Bank balances	2019	120	120
		2018	1,338	1,338
		2017	3,063	3,063

NOTE 22 EMPLOYEE BENEFITS

A. The Company contributes to the following post-employment defined benefit plans in India.

(i) 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 ₹ 2 (Previous Year - ₹ 1) and contribution to Employees State Insurance Corporation amounted to ₹ Nil (Previous Year - ₹ Nil).

NOTE 23 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

i. Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include balances with banks and accrued interest receivable .

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Company's receivables from customers and loans and advances. The carrying amounts of following financial assets represent the maximum credit risk exposure:

(Amount in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with banks in current account	120	1,342	3,091
Balance in fixed deposits with maturity period of less than 12 months	54,341	42,701	47,114
Balance in fixed deposits with maturity period more than 12 months	600	8,650	-
Interest accrued on deposit	641	283	466
Interest accrued on deposit with maturity more than 12 months	-	71	-
Total	**55,702**	**53,047**	**50,671**

Schedules forming part of Balance Sheet and Profit and Loss Account

a. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(Amount in 000's)

Particulars	As at March 31, 2019				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Cash and cash Equivalents					
Current	55,061	-	-	-	55,061
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	55,061	-	-	-	55,061
Less: Impairment Allowance	(11)	-	-	-	(11)
Carrying amount	55,050	-	-	-	55,050
Bank Balance (Other than cash and cash Equivalents)					
Current	-	-	-	-	-
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	-	-	-	-	-
Less: Impairment Allowance	-	-	-	-	-
Carrying amount	-	-	-	-	-
Other current and Non current financial assets					
Current	641	-	-	-	641
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	641	-	-	-	641
Less: Impairment Allowance	-	-	-	-	-
Carrying amount	641	-	-	-	641

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in 000's)

Particulars	As at March 31, 2018				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Cash and cash Equivalents					
Current	52,693	-	-	-	52,693
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	52,693	-	-	-	52,693
Less: Impairment Allowance	(10)	-	-	-	(10)
Carrying amount	52,683	-	-	-	52,683
Bank Balance (Other than cash and cash Equivalents)					
Current	-	-	-	-	-
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	-	-	-	-	-
Less: Impairment Allowance	-	-	-	-	-
Carrying amount	-	-	-	-	-
Other current and Non current financial assets					
Current	354	-	-	-	354
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	354	-	-	-	354
Less: Impairment Allowance	-	-	-	-	-
Carrying amount	354	-	-	-	354

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in 000's)

Particulars	As at April 01, 2017				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	Total
Cash and cash Equivalents					
Current	50,205	-	-	-	50,205
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	50,205	-	-	-	50,205
Less: Impairment Allowance	(10)	-	-	-	(10)
Carrying amount	50,195	-	-	-	50,195
Bank Balance (Other than cash and cash Equivalents)					
Current	-	-	-	-	-
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	-	-	-	-	-
Less: Impairment Allowance	-	-	-	-	-
Carrying amount	-	-	-	-	-
Other current and Non current financial assets					
Current	466	-	-	-	466
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	466	-	-	-	466
Less: Impairment Allowance	-	-	-	-	-
Carrying amount	466	-	-	-	466

i. Inputs, assumptions and techniques used for estimating impairment:

Inputs considered in the ECL model:

The Company applies various approaches to determine if there has been a significant increase in credit risk. In determining whether credit risk has increased significantly since initial recognition, The Company uses days past due information and forecast information to assess deterioration in credit quality of a financial asset.

The company categorises Financial assets into stages based on the days past due status.

- Current
- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD) is defined as the probability of whether the counter Party will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company."

Forward looking information:

The Company incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as Gross domestic product, change in gross fixed investments. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 30 days past due.

Definition of default:

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fal due. This definition of default is determined by considering the business environment in which the company operates and other micro economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Policy for write-off of loan assets:

All loans which are not recoverable in the opinion of management are written off.

NOTE 24 TRANSITION TO IND AS

For the purposes of reporting as set out in Note1, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Schedules forming part of Balance Sheet and Profit and Loss Account

A. Reconciliation of Balance Sheet

a) As at April 1, 2017

(Amount in 000's)

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	-	-	-
(b) Other Intangible assets	-	-	-
(c) Financial Assets			
Other non-current financial assets	265	-	265
(d) Non current tax assets	1,226	-	1,226
(e) Deferred tax assets (Net)	330	3	333
Sub total	**1,821**	**3**	**1,824**
Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	50,205	(10)	50,195
(ii) Other current financial assets	466	-	466
(b) Other current assets	272	-	272
Sub total	**50,943**	**(10)**	**50,933**
Total Assets	**52,764**	**(7)**	**52,757**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	22,113	-	22,113
(b) Other Equity	29,760	(7)	29,753
Sub total	**51,873**	**(7)**	**51,866**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) total outstanding dues of creditors other than micro,medium and small enterprises	369	-	369
(b) Current tax liabilities (Net)	522	-	522
Sub total	**891**	**-**	**891**
Total Equity and Liabilities	**52,764**	**(7)**	**52,757**

Schedules forming part of Balance Sheet and Profit and Loss Account

b) As at March 31, 2018

(Amount in 000's)

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	-	-	-
(b) Other Intangible assets	-	-	-
(c) Financial Assets			
(i) Other non-current financial assets	298	-	298
(d) Non current tax assets	522	-	522
(e) Deferred tax assets (Net)	-	3	3
Sub total	**820**	**3**	**823**
Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	52,693	(10)	52,683
(ii) Other current financial assets	283	-	283
Sub total	**52,976**	**(10)**	**52,966**
Total Assets	**53,796**	**(7)**	**53,789**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	22,113	-	22,113
(b) Other Equity	31,359	(7)	31,352
Sub total	**53,472**	**(7)**	**53,465**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) total outstanding dues of creditors other than micro,medium and small enterprises	324	-	324
Sub total	**324**	**-**	**324**
Total Equity and Liabilities	**53,796**	**(7)**	**53,789**

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Reconciliation of Statement of Profit and Loss :

For the year ended March 31, 2018

(Amount in 000's)

Particulars		Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
REVENUE				
I	Revenue from Operations	-	-	-
II	Other Income	3,416	-	3,416
III	**Total Income (I+II)**	**3,416**	**-**	**3,416**
IV	**EXPENSES**			
	Employee benefits expenses	1	-	1
	Other expenses	793	-	793
Total expenses (IV)		**794**	**-**	**794**
V	**Profit before tax (III-IV)**	**2,622**	**-**	**2,622**
VI	**Tax expense**			
	(1) Current tax	763	-	763
	(2) Current tax pertaining to prior periods	(70)	-	(70)
	(3) Deferred tax charge/(credit)	330	-	330
Total tax expense (1+2+3)		**1,023**	**-**	**1,023**
VII	**Profit for the year (V-VI)**	**1,599**	**-**	**1,599**
VIII	**Other comprehensive income**	-	-	-
IX	**Total Comprehensive Income for the period (VII+VIII)**	**1,599**	**-**	**1,599**

C. Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

NOTE 25 TRANSITION TO IND AS (Continued)

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101.

i. Reconciliation of equity

(Amount in 000's)

Particulars	As at March 31, 2018	As at April 01, 2017
Equity under previous GAAP	53,472	51,873
Summary of Ind AS adjustments		
Provision for ECL on financial assets	(10)	(10)
Deferred tax asset / (liabilities) on above adjustments (net)	3	3
Total Ind AS adjustments	(7)	(7)
Equity under Ind AS	**53,465**	**51,866**

Schedules forming part of Balance Sheet and Profit and Loss Account

Reconciliation of Net Profit

(Amount in 000's)

Particulars	**For the year ended March 31, 2018**
Net Profit After Tax under Previous GAAP	1,599
Provision for ECL on financial assets	-
Deferred tax asset / (liability) on above adjustments (net)	-
Total Ind AS adjustments	-
Net Profit After Tax as per Ind AS	**1,599**

NOTE 26 SEGMENT INFORMATION

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.

NOTE 27 GOING CONCERN

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 as it's 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 Limited to Mumbai and of its plans to consider mergering IVY Product Intermediaries Limited with any one of the Bank's existing subsidiaries. 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 Limited from the State of Karnataka to the State of Maharashtra.The Bank is in the process of evaluating various options with respect to its plan of merging IVY Product Intermediaries Limited with any one of its existing subsidiaries or continuing it as a standalone entity and accordingly, the financial statements have been prepared on going concern basis .

NOTE 28

Previous year figures have been regrouped/reclassified to conform to the current year classification under IND AS.

For and on behalf of the Board of Directors of
IVY Product Intermediaries Limited

Chetan Desai	**Ambuj Chandna**
Director	Director
DIN:03506544	DIN:07015582

Place : Mumbai
Date : May 31, 2019

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