Annual Report 2018-19

kotak

Courage
of Conviction.
Constancy
of Change.

Directors' Report

To the Members

Kotak Mahindra Capital Company Limited

The Directors present their Twenty Fourth Annual Report together with the audited accounts of your Company for the year ended March 31, 2019.

1. FINANCIAL SUMMARY/ HIGHLIGHTS

	Standalone Year ended 31st March,2019 Rupees in Lakh	Standalone Year ended 31st March 2018 Rupees in Lakh
Gross Income	16,517.84	18,401.45
Profit before Tax	7,476.52	10,207.72
Provision for Tax	2,784.43	3,722.00
Profit after Tax	4,692.09	6,485.72
Balance of Profit from previous years	49,874.89	43,426.26
Amount available for appropriation	49,588.39	49,874.89
Appropriations:		
Surplus carried forward to the Balance Sheet	49,588.39	49,874.89

2. DIVIDEND

The Board has recommended a final dividend of ₹ 70/-per equity share @ 700% for fiscal 2018-19, aggregating to ₹ 2,405.30along with a dividend distribution tax of ₹ 494.42 lakhs. The Board had earlier approved and paid an interim dividend of ₹ 120/- per equity share @1200% amounting to ₹ 4,123.38 lakhs alongwith a dividend distribution tax of ₹ 847.57 Lakhs. The final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

3. STATE OF THE COMPANY'S AFFAIRS

OPERATIONS

A. EQUITY CAPITAL MARKETS

In FY 2019, the Indian Equity Capital Markets witnessed a significant slowdown in primary market activity compared to previous fiscal completing 28 OFS, 14 IPOs and 13 QIPs. A total of ₹ 56,864 crore (vs 2,03,057 crore in FY 18) was raised across Initial Public Offerings (IPOs), Qualified Institutional Placements (QIPs), Rights Issues, Offers for Sale (OFS), Block Deals, Infrastructure Investment Trusts (InVITs) and Real Estate Investment Trusts (REITs) (Source: Prime Database).

KMCC successfully completed 14 marquee transactions, including 5 IPOs, 5 Block Deals, 2 QIPs, 1 OFSs and India's First ever Real Estate Investment Trust (REIT) raising a total of ₹ 32,983 crore in FY 2019. Kotak led the largest IPO, largest REIT IPO, largest QIP and largest Block of the year - a unique distinction in a volatile market environment.

Select Top Equity Deals that were concluded by KMCC during the period include:

IPO: HDFC AMC - ₹ 2,800 crore, Varroc Engineering – ₹ 1,955 crore, Indostar Capital Finance –

₹ 1,844 crore, Credit Access Grameen - ₹ 1,131 crore, TCNS Clothing - ₹ 1,125 crore

REIT: Embassy Office Parks - ₹ 4,750 crore

OFS: Coal India Limited - ₹ 5,273 crore

QIP: DLF - ₹ 3,172 crore, Magma Fincorp - ₹ 500 crore

B. MERGERS & ACQUISITIONS AND PRIVATE EQUITY ADVISORY

The total M&A Advisory deal value in India for FY 2019 stood at USD 138.5 billion vis-à-vis USD 88.2 billion in FY 2018, while deal volumes increased to 1,936 in FY 2019 from 1,831 in FY 2018.(Source: Bloomberg, as on April 16, 2019)

In FY 2019, KMCC was ranked #4 by volume of deals and #15 by value of deals in the M&A league tables (Source: Bloomberg, as on April 16, 2019; amongst investment banks). KMCC advised on a diverse array of nine M&A transactions across a wide range of products and sectors, for a total deal value of USD 5.4 billion (not considering deals where values have not been disclosed):

- Across products, ranging from Acquisitions, Divestments, Mergers, Private Equity investments, Restructuring, Buyback Offers and Open Offers;
- Across sectors, ranging from Financial Services, Consumer, Healthcare, Auto, Technology, Industrials etc.

The uptick in activity in the market in FY 2019 could largely be attributed to a number of factors, including deals in the stressed asset space, consolidation across sectors, increasing activity by sovereign wealth funds and a surge in big-ticket transactions. For FY2020, traditional M&A drivers, such as consolidation and market penetration along with convergence of various sectors with tech, stronger governance, insolvency cases and increased FDI will increasingly trigger deal activity.

Some of the key Advisory deals that were announced / concluded by KMCC during the period include:

- Financial Advisor to TPG and Shriram Group for 100% sale of stake in Vishal Mega Mart to Partners Group and Kedaara Capital
- Financial Advisor for 100% sale of stake in Comstar to Blackstone
- Financial Advisor to Excel Crop Care for merger with Sumitomo Chemical India – ₹ 3,593 crore
- Financial Advisor to State Bank of India for sale of 4% stake in SBI General Insurance to Axis AIF and PremjiInvest – ₹ 482 crore
- Financial Advisor for restructuring of healthcare business of Max India and Radiant Life - ₹ 7,242 crore
- Financial Advisor to Prabhat for sale of its dairy business to Lactalis - ₹ 1,700 crore
- Financial Advisor for sale of stake in Star Health to Westbridge AIF, Rakesh Jhunjhunwala & Madison Capital
- Manager to Buyback offer of Infosys (₹ 8,260 crore), Tech Mahindra (₹ 1,956 crore), Smartlink Holdings (₹ 67 crore)
- Manager to the Open Offer for acquisition of 26% stake in Next Mediaworks Limited by HT Media Limited - ₹ 47 crore
- Fairness Opinion to Bandhan Bank for merger of Bandhan Bank and GRUH Finance

C. AWARDS AND RECOGNITIONS

- The Asset Triple A Country Awards 2018: Best M&A India for Tata Chemicals US$400 million sale of the urea business to Yara International
- 2019 Finance Asia Country Awards:
  - o Best Investment Bank
  - o Best ECM House

4. INTERNAL CONTROL & RISK MANAGEMENT

Management is responsible for establishing and maintaining adequate internal control over financial statements /reporting. Internal control over financial reporting is a process designed under the supervision of the Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with regulatory required applicable Accounting Principles.

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting standards and that receipts and expenditures are being made only in accordance with authorisations of management and the respective Directors; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements. Internal control systems, no matter how well designed, have inherent limitations. During the year your company carried out a third party review of internal financial control of which the results did not bring out any material deficiencies.

The Directors and management of the company have responsibility for ensuring that management maintain an effective system of risk management and internal control and for reviewing its effectiveness. Your company is committed to operating within a strong system of internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage. Risk is managed on group basis as well on an entity basis. Your Company has a risk management policy along with a risk register that identifies and monitors critical risks which may threaten the existence of the Company.

5. DIRECTORS AND BOARD MEETINGS

Mr. Uday Kotak, Chairman (DIN: 00007467), Mr. Krishnan Venkat Subramanian, Director (DIN No.00031794) and Mr. Sourav Mallik, Joint Managing Director (DIN: 07152812) retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. Ramesh Srinivasan (DIN: 02787576) was reappointed as Managing Director & CEO for a period of three years commencing from July 1, 2019 up to June 30, 2022.

During the financial year 2018-19, the Company held eight meetings of its Board of Directors was held on 13 April 2018, 23 April 2018, 7 June 2018, 27 June 2018, 16 July 2018, 19 October 2018, 22 December 2018 and 16 January 2019.One Audit Committee meeting was held on 23 April 2018. Two Corporate Social Responsibility (CSR) Committee meeting were held on 26 December 2018 and 11 March 2019.One Extra Ordinary General Meeting (EGM) was held on 20 April 2018. One Annual General Meeting (AGM) was held on 26 June 2018.

The details of directors' attendance at meetings and committee meetings held during the year commencing 1st April 2018 and ending 31st March 2019 a provided below.

Sr. No	Directors	Board Meetings	Corporate Social Responsibility (CSR)	Audit Committee Meetings
1	Mr.Uday Kotak (DIN-00007467)	8	N.A	1
2	Mr. Krishnan Venkat Subramanian (DIN-00031794)	8	2	N.A
3	Mr. Ramesh Srinivasan (DIN-02787576)	8	2	N.A
4	Mr. Sourav Mallik (DIN-07152812)	7	N.A	N.A
5	Mr. Dipak Gupta (DIN-00004771)	7	N.A	1
6	Mr. Jaimin Bhatt (DIN- 00003657)	5	N.A	1
7	Mr.T V Raghunath (DIN-02143711)	4	1	N.A

6. DISCLOUSURE IN RESPECT WITH THE COMPLIANCE WITH THE SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

7. AUDITOR

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were re-appointed as Auditors of the Company, for term of 5 (five) consecutive years, at the Annual General Meeting held on June 28, 2019 for the financial years 2019-20 to 2023-24.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors, - in their report.

There have been no instances and frauds detected by the statutory auditor as prescribed under Section 143(12) of the Companies Act, 2013.

8. STATUTORY INFORMATION

During the year under review, your Company did not accept any deposits from the public. There are no deposits due and outstanding as on 31st March 2019.

During the year your Company's foreign exchange income was ₹ 3.81 Crores while the outgo was ₹ 1.07 Crores.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,

The provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to Company.

9. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment. The said policy is in line with applicable laws . The Company through the policy ensures that all such complaints are resolved within defined timelines. During the year there were nil cases of complaints, and NIL are pending, During the year the Company had arranged a work shop for employees to make them familiar with the Act and its requirement

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed 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 your Company as at the end of the financial year and of the profit/ loss of your Company for the financial year ended March 31, 2019;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Board Corporate Social Responsibility Committee (CSR Committee) and it consists of the following Directors:

a. Mr. Krishnan Venkat Subramanian Director & Chairman of CSR Committee :(DIN 00031794)

b. Mr. Ramesh Srinivasan, Managing Director & CEO :(DIN 02787576)

c. Mr. T V Raghunath, Director :(DIN 02143711)

The Company's CSR Committee drives the CSR programme of the Company. Your Company has a Board approved CSR policy, charting out its CSR approach. This policy articulates the Company's aim to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility agenda. The Company's CSR agenda is driven by its key focus areas:

a. Promoting education – primary focus area

b. Enhancing vocational skills and livelihood

c. Promoting preventive healthcare and sanitation

d. Reducing inequalities faced by socially and economically backward groups

e. Sustainable development

f. Relief and rehabilitation

g. Clean India

h. Sports

The Company's CSR policy is available on the Company's website viz. URL: http://www.investmentbank.kotak.com/downloads/kmbl_&_subsidiaries_policy_statement_on_csr.pdf

Pursuant to the provisions of Section 135, schedule VII of the Companies Act 2013 (the Act), read with the Companies (Corporate Social Responsibility) Rules, 2014 the report of the expenditure on CSR by the Company is as under:

The average net profit U/S 198 of the Company for the last three financial years preceding 31st March, 2019 is ₹ 55.48 crore

The prescribed CSR expenditure required U/S 135, of the Act for FY 2018-19 is ₹111.00 Lakh.

The CSR expenditure incurred for the period 1st April 2018 to 31st March 2019 under Section 135 of Companies Act, 2013 amounts to ₹ 35 Lakh as against ₹ 5 Lakh CSR spend in the financial year 2017-18. The unspent amount for FY2018-19 is ₹ 76 Lakh.

CSR expenditure of ₹ 35 lakh in FY 2018-19 as a percentage of average net profit U/S 198 of the Company at ₹ 55.48 Crore is 0.63 %.

Reason for not spending full amount:

The Company's budget in CSR focussed sectors and programmes are approved by the CSR Committee and the Board. The Company's CSR budget is guided by the vision of creating long-term benefits for the society. The Company has been building its CSR capabilities on a sustainable basis and is committed to gradually increasing its CSR spending for its long-term projects. The Company identifies suitable NGO partners for carrying out its CSR programmes. It undertakes CSR programmes that are scalable, sustainable and have the potential to be replicated across locations and create a sustainable and measurable impact in communities.

Most of the CSR programmes undertaken are in the area of education and healthcare. The Company's CSR footprint has been consistently increasing over the years. The Company is committed to stepping-up its CSR programmes and expenditure in future.

The Company's CSR Expenditure in FY 2018-19 was ₹ 35.00 lakh, which is over 600 % higher than that for the previous financial year.

The Company does not consider "administrative overheads" as part of its CSR Expenditure.

The details of CSR Programmes and Expenditure U/S 135 of the Companies Act, 2013, for FY 2018-19, are annexed to this report.

Details of CSR activities and expenditure U/S 135 of The Companies Act, 2013

CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount (₹ Lakh)	Programme / project wise actual spend during the year – Direct expenditures (₹ Lakh)	Programme / project wise actual spend during the year – Overheads (₹ Lakh)	Cumulative Expenditure up to reporting period (Since FY 2014-15) (₹ Lakh)	Amount spent Direct or through implementing agency (₹ Lakh
Promoting education	Education	Mumbai	25.00	17.60	3.35	42.00 (Out of ₹ 25.00 Lakh, NGO has not utilised ₹ 4.05 Lakh. This will be used towards meeting expenses for FY 2019-20)	Implementing Agency - 25.00
Promoting healthcare	Healthcare	Madhya Pradesh, West Bengal and Tamil Nadu	10.00	-	-	10.00 (This amount has not been utilised. This will be used for meeting the expenses for FY 2019-20)	Implementing Agency - 10.00
TOTAL CSR SPEND U/S 135 OF THE COMPANIES ACT, 2013, DURING FY 2018-19							35.00

Summary of CSR Programmes implemented in FY 2018-19

Kotak Education Foundation (KEF) is the Company's long-term CSR partner and primary vehicle to implement its CSR Programmes in Education and Livelihood. Founded in 2006, KEF empowers young people from underprivileged families through various education-based initiatives and equips them with employable skills. KEF also organises various livelihood programmes for Below Poverty Line (BPL) families in the regions of Mumbai, Thane and Raigad.

Additionally, the Company has started implementing long term CSR Programmes that are sustainable and scalable.

In FY 2018-19, the Company implemented its CSR Programme on Healthcare in partnership with (and through) Vision Foundation of India India towards implementation of Rashtriya Netra Yagna Programme. The Programme supports different kinds of eye treatment such as Cataract Surgery, Glaucoma Surgery, Retinal Surgery, Childhood Surgery etc. to prevent curable blindness, free of cost among patients from economically weaker sections of the society.

We the CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd
Ramesh Srinivasan
Managing Director & CEO

Sd
Krishnan Venkat Subramanian
Director & Chairman CSR Committee

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and Investments are given in notes 5, 6 and 32 to financial statements attached to the Directors Report.

13. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered were of arm's length and in the ordinary course of business and there are no transactions to be reported. Details of Related Party Transactions are provided in note 31 to notes forming part of financial statements attached to the Directors Report. There are no material related party transactions, which were at arm's length hence Form AOC-2 is not attached.

14. PARTICULARS OF EMPLOYEES

The information, to the extent required for an unlisted company pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided.

15. REPORT ON THE PERFORMANCE OF ASSOCIATE COMPANIES

Following are the associate companies of the Company:

Infina Finance Private Limited

Kotak Infrastructure Debt Fund Limited

Kotak Investment Advisors Limited

Kotak Mahindra (International) Limited

Kotak Mahindra Inc

Kotak Securities Limited

There was no change in associate companies during the period under review. The company does not have any subsidiaries or joint ventures. The performance of the associate companies and their contribution to the overall performance of the Company during the period under review is attached to the financial statement. Consolidated financial statement's with these associate companies is attached.

16. ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable support received from Securities Exchange Board of India, and Reserve Bank of India and other Government and Regulatory agencies. Your Directors acknowledge and wish to place their appreciation of employees for their commendable efforts, teamwork and professionalism.

17. ANNUAL RETURN

The Annual Return of the Company has been placed on our website - http://www.investmentbank.kotak.com/. Extract of the Annual Return in form MGT-9 is annexed.

For and on behalf of the Board of Directors

SD/-
Chairman

Place: Mumbai
Date: 25 June 2019

ANNEXURE 'A'

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	U67120MH1995PLC134050
ii.	Registration Date	:	27TH JULY 1995
iii.	Name of the Company	:	KOTAK MAHINDRA CAPITAL COMPANY LIMITED
iv.	Category / Sub-Category of the Company	:	Company limited by Shares / Non-govt Company
v.	Address of the Registered office and contact details	:	27BKC, "G" Block. C-27, Bandra Kurla Complex, Bandra (East), Mumbai–400051.Tel-022-43360000, Website- www.investmentbank.kotak.com
vi.	Whether listed company Yes / No	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. Tel- 022-49186200.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	INVESTMENT BANKING	NA	85.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held*	Applicable Section
HOLDING COMPANY					
1	Kotak Mahindra Bank Limited 27BKC, C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	L65110MHIN85PLC038137	Holding	100.00	2(46)
ASSOCIATE COMPANIES					
1	INFINA Finance Private Limited 7th Floor, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (East), Mumbai – 400 098.	U67120MH1996PTC098584	Associate	49.99	2(6)
2	Kotak Infrastructure Debt Fund Limited 27BKC, C 27, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051.	U65910MH1988PLC048450	Associate	20.00	2(6)
3	Kotak Investment Advisors Limited 27BKC, C 27, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051.	U65990MH1994PLC077472	Associate	49.00	2(6)
4	Kotak Mahindra (International) Limited 4th Floor, Les Cascades ,33, Edith Cavell Street, Port Louis, Mauritius	-	Associate	49.00	2(6)
5	Kotak Mahindra Inc. 369 Lexington Avenue, 28th Floor New York NY 10017, USA	-	Associate	49.00	2(6)
6	Kotak Securities Limited 27BKC, C 27, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051	U99999MH1994PLC134051	Associate	25.00	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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 & Promoter Group**										
1)	**Indian**										
	a)	Individual / HUF	-	-	-	-	-	-	-	-	-
	b)	Central Govt	-	-	-	-	-	-	-	-	-
	c)	State Govt(s)	-	-	-	-	-	-	-	-	-
	d)	Bodies Corp	-	-	-	-	-	-	-	-	-
	e)	Banks/FI	310,014	3,126,135	3,436,149	100	310,014	3,126,135	3,436,149	100	0.00
	f)	Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)			**310,014**	**3,126,135**	**3,436,149**	**100**	**310,014**	**3,126,135**	**3,436,149**	**100**	**0.00**
2)	Foreign										
	a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b)	Other – Individuals	-	-	-	-	-	-	-	-	-
	c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
	d)	Banks / FI	-	-	-	-	-	-	-	-	-
	e)	Any Other….	-	-	-	-	-	-	-	-	-
Sub total (A) (2)			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)			**310,014**	**3,126,135**	**3,436,149**	**100**	**310,014**	**3,126,135**	**3,436,149**	**100**	**0.00**
B.	**Public Shareholding**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.	**Institutions**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	a)	Mutual Funds	-	-	-	-	-	-	-	-	-
	b)	Banks / FI	-	-	-	-	-	-	-	-	-
	c)	Central Govt	-	-	-	-	-	-	-	-	-
	d)	State Govt(s)	-	-	-	-	-	-	-	-	-
	e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f)	Insurance Companies	-	-	-	-	-	-	-	-	-
	g)	FIIs	-	-	-	-	-	-	-	-	-
	h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i)	Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
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 Corp.	-	-	-	-	-	-	-	-	-
		i) Indian	-	-	-	-	-	-	-	-	-
		ii) Overseas	-	-	-	-	-	-	-	-	-
	b)	Individuals	-	-	-	-	-	-	-	-	-
		i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
		ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
	c)	Others (specify)	-	-	-	-	-	-	-	-	-
		Non-Resident Individuals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		Clearing Members	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		Trust	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-total(B)(2):-			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.	**Shares held by Custodian for GDRs & ADRs**		-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)			**310,014**	**3,126,135**	**3,436,149**	**100**	**310,014**	**3,126,135**	**3,436,149**	**100**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	KOTAK MAHINDRA BANK LIMITED	3,436,143	100.00	0	3,436,143	100.00	0	0.00
2.	DIPAK GUPTA (NOMINEE OF KOTAK MAHINDRA BANK LTD)	1	0.00	0	1	0.00	0	0.00
3.	JAIMIN BHATT (NOMINEE OF KOTAK MAHINDRA BANK LTD)	1	0.00	0	1	0.00	0	0.00
4.	KRISHNAN VENKAT SUBRAMANIAN (NOMINEE OF KOTAK MAHINDRA BANK LTD)	1	0.00	0	1	0.00	0	0.00
5.	SHANTI EKAMBARAM (NOMINEE KOTAK MAHINDRA BANK LTD)	1	0.00	0	1	0.00	0	0.00
6.	MOHAN SHENOI (NOMINEE OF KOTAK MAHINDRA BANK LTD)	1	0.00	0	1	0.00	0	0.00
7.	NARAYAN S.A. (NOMINEE OF KOTAK MAHINDRA BANK LTD)	1	0.00	0	1	0.00	0	0.00
	TOTAL	**3,436,149**	**100.00**	**0**	**3,436,149**	**100.00**	**0**	**0.00**

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

NO CHANGE

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

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - NIL

Sl. no.	Name of the Share Holder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		For Each of the Top 10 Shareholders	No. of share	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-	-

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. no	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares	% of total shares
	DIRECTORS				
	(Holding Shares as nominee of Kotak Mahindra Bank Ltd. Jointly with Kotak Mahindra Bank Ltd)				
1.	**Mr. Dipak Gupta**				
	At the beginning of the year	1	0.00	1	0.00
	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	1	0.00	1	0.00
2.	**Mr. Jaimin Bhatt**				
	At the beginning of the year	1	0.00	1	0.00
	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	1	0.00	1	0.00
3.	**Mr. Krishnan Venkat Subramanian**				
	At the beginning of the year	1	0.00	1	0.00
	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	1	0.00	1	0.00
	At the end of the year	-	-	-	-
4.	**KEY MANAGERIAL PERSONANEL**	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year	**-**	**-**	**-**	**-**
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
	-	-	-	-
	-	**-**	**-**	**-**
Change in Indebtedness during the financial year	**-**	**-**	**-**	**-**
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	**-**	**-**	**-**	**-**
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)	**-**	**-**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of Managing Directors		Total Amount (₹ In Lakh)
		Ramesh Srinivasan (₹ In Lakh)	Sourav Mallik (₹ In Lakh)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	266.39	266.55	532.94
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	43.03	95.78	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- Others, specify…			
5	Others, please specify	-	-	-
	Total (A)	**-**	**-**	**-**
	Ceiling as per the Act			**883.19**

B. Remuneration to other directors - NIL

SL. No.	Particulars of Remuneration	Name of Director	Total ₹
1	**Independent Directors**		
	Fee for attending board / committee meetings (₹)		
	Commission ₹		
	Others, please specify (₹)		
	Total (1) (₹)		
2.	**Other Non-Executive Directors**		
	Fee for attending board / committee meetings (₹)		
	Commission (₹)		
	Others, please specify (₹)		
	Total (2) (v)		
	Total (B)=(1+2) (₹)		
	Total Managerial Remuneration (A+B) (₹)		
	Overall Ceiling as per the Act (%)	1% of the Net Profits equivalent to ₹___________ with respect to the ceiling for the Company applicable for the financial year covered by this Report	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD: Section 203 is not applicable to the Company

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Financial Officer	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961@	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify…				
5	Others, please specify	-	-	-	-
	Total	**-**	**-**	**-**	**-**

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Independent auditor's report

TO THE MEMBERS OF KOTAK MAHINDRA CAPITAL COMPANY LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Kotak Mahindra Capital Company 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 standalone 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 standalone 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 Auditor's Responsibility for the Audit of the Standalone 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 standalone 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 standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including Annexures to Directors' report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equityof the Company in accordance with the 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 of the standalone financial statements, 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 books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the 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 Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

R. Laxminarayan
(Partner)
(Membership No. 033023

Place: Mumbai
Date: June 25, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 1(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

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

We have audited the internal financial controls over financial reporting of Kotak Mahindra Capital Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone 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 criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Laxminarayan
(Partner)
(Membership No. 033023

Place: Mumbai
Date: June 25, 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 ON THE ACCOUNTS OF KOTAK MAHINDRA CAPITAL COMPANY LIMITED ("THE COMPANY") FOR THE YEAR ENDED MARCH 31, 2019.)

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties viz. buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause 3 (ii) of the Order 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.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as 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) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause 3 (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty 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) Details of dues of Income-tax, Sales Tax, Goods and Service Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount (₹ in lakhs)
Service Tax	Tax, Interest and Penalty	Commissioner of Central Excise (Appeal)	Financial Years 2004-05 to 2008-09	61.46
Income Tax	Tax	Commissioner of Income Tax (Appeal)	A.Y. 2015-16	57.82

(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 Order is not applicable to the Company.

(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 Order 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 or employees 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 paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, 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 Order 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 directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 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)

R. Laxminarayan
(Partner)
(Membership No. 033023

Place: Mumbai
Date: June 25, 2019

Balance Sheet

as at 31 March 2019

₹ in lakhs

Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
ASSETS				
Financial assets				
Cash and cash equivalents	2	21.78	90.23	85.23
Bank Balance other than cash &cash equivalents	3	10,004.82	9,823.70	7,571.02
Receivables				
(I) Trade receivables	4	4,328.35	3,481.68	612.21
(II) Other receivables	4A	86.97	64.89	25.32
Loans	5	4.89	0.93	0.24
Investments	6	210,030.77	177,612.97	97,629.35
Other Financial assets	7	0.67	14.59	210.00
Total financial assets		**224,478.25**	**191,088.99**	**106,133.37**
Non-financial assets				
Current Tax assets (Net)		648.35	648.35	540.64
Deferred Tax assets (Net)	28	299.46	182.01	-
Investment property	8	1,400.62	1,431.11	1,461.60
Property, Plant and Equipment	9	321.96	113.22	207.67
Other intangible assets	10	2.48	6.84	16.62
Other non-financial assets	11	292.15	394.57	201.61
Total non-financial assets		**2,965.02**	**2,776.10**	**2,428.14**
Total Assets		**227,443.27**	**193,865.09**	**108,561.51**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	12			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		811.04	813.20	251.54
(II) Other payables				
Other Financial liabilities	13	783.01	1,013.59	511.69
Total financial liabilities		**1,594.05**	**1,826.79**	**763.23**
Non-Financial liabilities				
Current tax liabilities (Net)		357.84	748.95	97.07
Provisions	14	1,533.74	1,129.55	713.73
Deferred tax liabilities (Net)	28	36,801.56	29,027.45	11,557.19
Other non-financial liabilities	15	935.61	912.01	324.01
Total non-financial liabilities		**39,628.75**	**31,817.96**	**12,692.00**
EQUITY				
Equity Share Capital	16	343.61	343.61	343.61
Other equity	17	185,876.86	159,876.73	94,762.67
Total equity		**186,220.47**	**160,220.34**	**95,106.28**
TOTAL LIABILITIES AND EQUITY		**227,443.27**	**193,865.09**	**108,561.51**
Significant Accounting Policies and Notes on Accounts	1-36			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date :25th June 2019

For and on behalf of the Board of Directors

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Date : 25th June 2019

Statement of Profit And Loss
for the year ended 31 March 2019

₹ in lakhs

	Particulars	Note no.	For the year ended 31-Mar-19	For the year ended 31-Mar-18
	REVENUE FROM OPERATIONS	**18**		
(i)	Sale of services		14,086.24	16,524.26
(I)	**Total revenue from operations**		**14,086.24**	**16,524.26**
(II)	**Other income**	**19**	**2,431.60**	**1,877.19**
(III)	**Total income (I + II)**		**16,517.84**	**18,401.45**
	EXPENSES	**20**		
(i)	Finance costs		6.66	4.59
(ii)	Impairment on financial instruments		22.50	109.64
(iii)	Employee Benefits expenses		6,232.42	5,309.14
(iv)	Depreciation, amortization and impairment		154.50	141.27
(v)	Other expenses		2,625.24	2,629.09
(IV)	**Total expenses**		**9,041.32**	**8,193.73**
(V)	**Profit before tax (III-IV)**		**7,476.52**	**10,207.72**
(VI)	Tax expense	28		
	(1) Current tax		3,141.00	3,810.34
	(2) Current tax pertaining to prior periods		(44.80)	-
	(3) Deferred tax charge/(credit)		(311.77)	(88.34)
	Total tax expense		**2,784.43**	**3,722.00**
(VII)	Profit for the period from continuing operations (V-VI)		4,692.09	6,485.72
(VIII)	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans	28	(11.75)	(57.01)
	- Equity Instruments through Other Comprehensive Income	28	33,419.63	75,799.31
	Sub-total		**33,407.88**	**75,742.30**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		7,968.44	17,376.60
	Total (A)		**25,439.44**	**58,365.70**
	Other comprehensive income		**25,439.44**	**58,365.70**
(IX)	**Total Comprehensive Income for the period**		**30,131.53**	**64,851.42**
(X)	**Earnings per equity share of ₹ 10/- each**	**21**		
	Basic (₹)		136.55	188.75
	Diluted (₹)		136.55	188.75
	Significant Accounting Policies and Notes on Accounts	1-36		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
R. Laxminarayan
Partner

Place : Mumbai
Date :25th June 2019

For and on behalf of the Board of Directors

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Date : 25th June 2019

Cash Flow Statement

for the year ended 31 March 2019

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
A. Cash flow from operating activities				
Net Profit before extraordinary items and tax		7,476.52		10,207.72
Adjustments for:				
Depreciation and amortisation	154.51		141.28	
Interest on deposits with banks	(952.11)		(530.91)	
Net gain/(loss) on fair value changes	(856.27)		(1,029.10)	
Net gain/(loss) on derecognition of property, plant and equipment	(45.24)		(6.98)	
Net gain or loss on foreign currency transaction and translation	(30.56)		(6.35)	
Interest on Security Deposit	1.66		1.52	
Other interest expense	5.00		3.07	
Impairment on financial instruments	22.50		109.81	
Fair valuation of share based payments to employees	837.51		267.13	
Interest income from debentures	(262.55)		-	
Dividend received from non trade, investments	-		(0.02)	
		(1,125.54)		**(1,050.54)**
Operating profit before working capital changes		6,350.98		9,157.18
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(885.53)		(3,012.43)	
Loans and advances	(3.96)		(0.69)	
Other assets	116.34		1.03	
Adjustments for increase / (decrease) in operating liabilities:	-			
Trade payables	(2.15)		561.65	
Other liabilities	(206.98)		1,089.91	
Provisions	404.19		354.30	
		(578.09)		**(1,006.23)**
Cash generated from operations		5,772.89		8,150.95
Net income tax paid		(3,487.30)		(3,266.15)
Net cash flow from operating activities (A)		**2,285.59**		**4,884.80**
B. Cash flow from investing activities				
Capital expenditure on Property, Plant and Equipment	(329.31)		(32.97)	
Proceeds from sale of Property, Plant and Equipment	46.17		33.39	
Bank deposits placed during the year not considered as cash & cash equivalents	-			
	(37,021.88)		**(9,910.00)**	

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Bank deposits matured during the year not considered as cash & cash equivalents	-			
	36,811.22		**7,660.00**	
Purchase of Investments	(17,272.66)		(19,891.00)	
Proceeds from sale of Investments	19,545.49		16,807.96	
Interest received on bank deposits	981.19		528.04	
Interest income from debentures	(121.11)		-	
Loss distribution from Venture Funds	(17.22)		(72.17)	
Dividend received from current investments	-		0.02	
Net cash flow used in investing activities (B)		**2,621.89**		**(4,876.73)**
C. Cash flow from financing activities				
Interest paid on delayed payment of taxes	(5.00)		(3.07)	
Dividend paid including corporate dividend tax	(4,970.95)		-	
Net cash flow from / (used in) financing activities (C)		**(4,975.95)**		**(3.07)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(68.47)**		**5.00**
Cash and cash equivalents at the beginning of the year		90.26		85.26
Cash and cash equivalents at the end of the year		**21.79**		**90.26**

Notes:

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

2 **Non- cash financing activity -**

ESOP from parent of ₹ 839.54 lakhs for year ended 31 March 2019 (previous year - ₹ 262.62 lakhs)

3 **Reconciliation of Cash and cash equivalents with the Balance Sheet:**

Cash and cash balances as per Balance Sheet	21.78	90.23
Add: Expected credit losses as per Ind AS 109	0.01	0.03
Cash and cash equivalents at the end of the year (Balances with banks in current accounts)	**21.79**	**90.26**

4 Net profit before tax and (Increase) / Decrease in debtors includes unrealized foreign exchange loss amounting to ₹ 0.07 lakhs (Previous year foreign exchange gain of ₹ 7.20 lakhs)

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
R. Laxminarayan
Partner

Place : Mumbai
Date :25th June 2019

For and on behalf of the Board of Directors

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Date : 25th June 2019

Statement of Changes In Equity

for the year ended 31 March 2019

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Balance at the beginning of the period	Changes in equity share capital during the year	Balance at the end of the the period
Equity shares of ₹ 10 each fully paid up			
As on 1 April 2017	343.61	-	343.61
As on 31 March 2018	343.61	-	343.61
As on 31 March 2019	343.61	-	343.61

B. OTHER EQUITY

₹ in lakhs

Particulars	Reserves & Surplus			Other Comprehensive Income	Capital Contribution from Parent	Total
	Securities premium	Capital redemption reserve	Retained earnings	Equity instruments at FVOCI		
Opening balance as on 1 April 2017	**6,177.89**	**68.00**	**43,426.26**	**44,925.89**	**164.63**	**94,762.67**
Total Comprehensive Income for the period			6,448.63			6,448.63
Other Comprehensive Income for the period				58,402.79		58,402.79
Contribution for the period					262.63	262.63
Changes during the period	**-**	**-**	**6,448.63**	**58,402.79**	**262.63**	**65,114.05**
Closing balance as on 31 March 2018	**6,177.89**	**68.00**	**49,874.89**	**103,328.68**	**427.26**	**159,876.72**
Opening balance as on 31 March 2018	**6,177.89**	**68.00**	**49,874.89**	**103,328.68**	**427.26**	**159,876.72**
Total Comprehensive Income for the period			4,684.45			4,684.45
Other Comprehensive Income for the period				25,447.08		25,447.08
Dividends			(4,123.38)			(4,123.38)
Dividend Distribution Tax			(847.57)			(847.57)
Contribution for the period					839.54	839.54
Any other change (to be specified)						-
Changes during the period	**-**	**-**	**(286.50)**	**25,447.08**	**839.54**	**26,000.12**
Closing balance as on 31 March 2019	**6,177.89**	**68.00**	**49,588.39**	**128,775.76**	**1,266.80**	**185,876.84**

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
R. Laxminarayan
Partner

Place : Mumbai
Date :25th June 2019

For and on behalf of the Board of Directors

Uday Kotak
Chairman

Ramesh Srinivasan
Managing Director & CEO

Krishnan Venkat Subramanian
Director

Milind Deolalkar
Chief Financial Officer

Ajay Vaidya
Company Secretary

Place : Mumbai
Date : 25th June 2019

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1.1 CORPORATE INFORMATION

Kotak Mahindra Capital Company Limited (the Company) is a Category I Merchant banker registered with SEBI and incorporated on 27th July, 1995, with its registered office situated at 27BKC, 1st Floor, Plot No.C-27, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, India.

It operates as a full – service Investment bank.

1.2 BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

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 by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

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 balance sheet, statement of profit and loss and cash flow statement are provided in Note 27.

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 authorized for issue by the Company's Board of Director's on 25 June 2019

B. 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 lakhs with two decimals, except when otherwise indicated.

C. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis except for the following:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments); and
- Share-based payments - measured at fair value.

D. USE OF ESTIMATES AND JUDGEMENTS

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 realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Revenue

Recognition of revenue over time or at a point in time: The Company recognises revenue from Issue management and placement services, underwriting commission and financial advisory services at a point in time because performance obligation is completed once the service is provided by the Company.

II. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Schedules forming part of Balance Sheet and Profit and Loss Account

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 23.

IV. 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

V. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

VI. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/ liabilities which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

VII. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Company initially measures the cost of cash-settled transactions with employees using a Black-Scholes model. Key assumptions have been made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the statement of profit and loss. This requires a reassessment of the estimates used at the end of each reporting period.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 24.

VIII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please refer Note 25.

IX. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments 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. 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.

X. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

XI. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments classified as FVOCI. 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

XII. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

XIII. Lease classification: Company as a lessor

The Company has given office premises under lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

E. 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. The Company intends to adopt these standards or amendments from the effective date.

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 is in the process of analysing the impact of new lease standard on its financial statements.

Schedules forming part of Balance Sheet and Profit and Loss Account

F. AMENDMENTS TO EXISTING IND AS:

The following amended standards are not expected to have a significant impact on the Company's standalone 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. Amendment to Ind AS 12 Income Taxes: Appendix C – Uncertainty over Income Tax Treatments

The Appendix addresses how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

II. Amendments to Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

III. 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.

1.3. 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
Furniture and Fixtures	6 years
Vehicles	4 years
Building Premises	58 years

Leasehold Improvements Over the period of lease subject to a maximum of 6 years

Assets costing less than INR 5,000 are fully depreciated in the year of purchase.

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

B. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making 'the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

The intangible assets are amortized over the estimated useful lives as given below:

Software (including development) expenditure 3 years

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

C. Accounting for Operating Leases as a Lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term, are classified as operating leases. Payments made under operating leases are generally recognised in the statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases.

D. Accounting for Operating Leases as a Lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

E. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Schedules forming part of Balance Sheet and Profit and Loss Account

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services

Fee Income
Issue management and placement fees, underwriting commission and financial advisory fees are accounted on completion of performance obligation i.e. milestones specified in the contract.

Income from venture fund
Revenue on account of distribution from Venture Capital Funds / Alternate Investment Funds is recognised on the receipt of the distribution letter or when right to receive is established.

Interest Income
Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under impairment stages 1 and 2 as against on amortised cost for the assets falling under impairment stage 3.

Dividend Income
Dividend income is recognised in the statement of profit and loss on an accrual basis when the right to receive the dividend is established.

F. 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 assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

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.

G. EMPLOYEE BENEFITS

Defined contribution plan

- **Provident fund**

  Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to statement of profit and loss when due.

Defined benefit plan

- **Gratuity**

Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Remeasurements are not reclassified to profit or loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in statement of profit and loss. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss

The amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. These benefits include performance incentives.

- **Compensated absences**

The Company accrues the liability for compensated absences, based on the actuarial valuation as at the balance sheet date, conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Company's obligation is determined based on the projected accrued benefit method (same as projected unit credit method in respect of past service) as at the Balance Sheet date

Other Employee Benefits

As per the company policy, employees of the company are eligible for an award after completion of a specified number of years of service with the company. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary, done for the group as a whole and charge allocated to the company.

H. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Schedules forming part of Balance Sheet and Profit and Loss Account

I. BORROWING COSTS

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

J. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the 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.

K. 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 (other than a revalued 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 recognized.

L. 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.

M. Share based payments

Employees Stock Options Plans (“ESOPs”) - Equity settled

The ultimate holding company of the company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company’s operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity settled transactions”).

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in reserves, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Stock Appreciation Rights (“SARs”) - Cash Settled

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised in the statement of profit and loss in 'Provision for Stock Appreciation Rights' under the head Employee Benefit Expense.

N. SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. For detailed disclosure, refer Note 30.

O. 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.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement / document.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

The Company classifies its financial assets as subsequently measured at either amortized 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. In making the assessment, the Company considers:

Schedules forming part of Balance Sheet and Profit and Loss Account

- reset terms
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

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.

Financial asset at fair value through Other Comprehensive Income (FVOCI)
A financial asset is measured at FVOCI if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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 fair value. Interest income is recognised using the effective interest (EIR) method. The impairment losses, if any, are recognized through statement of profit and loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial asset at fair value through profit and loss (FVTPL)
Any financial asset, which does not meet the criteria for classification as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

Equity instruments at FVOCI
The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to the profit and loss. Dividends are recognised in the statement of profit and loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

The company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Liabilities which are classified at fair value through profit or loss, shall be subsequently measured at fair value.

P. 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 and FVOCI, such as trade receivables, employee loans, investment in debt instruments, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

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 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 since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- 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 PDs 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.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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.

  For loans whose significant payment obligations are only after next 12 months, life time ECL has been applied.

  Method used to compute lifetime ECL/12 month 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.

Q. WRITE-OFFS

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

R. DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

S. MODIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified financial asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified financial asset are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit and loss account. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

T. OFFSETTING

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

U. MEASUREMENT OF FAIR VALUES

The Company's accounting policies and disclosures require fair value measurement of financial instruments such as investment in unquoted equity instruments, mutual funds, venture capital funds etc.

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.

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Schedules forming part of Balance Sheet and Profit and Loss Account

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

V. 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.

W. 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.

X. OPTIONAL EXEMPTIONS AND MANDATORY EXCEPTIONS UNDER IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

Optional exemptions:

I. Deemed cost

The Company has elected to account for property plant and equipment and intangible assets at their previous GAAP carrying amount as on 1 April 2017 i.e. deemed cost as at the date of transition.

II. Share-based payments

The Company has elected not to apply Ind AS 102 Share-based payment to equity instruments that vested before the date of transition to Ind AS. Accordingly, the Company has measured only the unvested stock options on the date of transition as per Ind AS 102.

III. Investment in subsidiaries, joint venture and associates

The Company has elected to measure investment in subsidiaries, joint venture and associate at their previous GAAP carrying amount as on 1 April, 2017 i.e. deemed cost as at the date of transition.

Mandatory exceptions:

I. Estimates

The estimates at April 1, 2017 and March 31, 2018 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial instruments at FVTPL and / or FVOCI
- Impairment of financial assets based on expected credit loss model.

II. Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

III. Classification of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 2. CASH AND CASH EQUIVALENTS :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Cash and Cash equivalents :			
Balances with banks	21.79	90.26	85.26
Sub total	**21.79**	**90.26**	**85.26**
Less: Impairment loss allowance	(0.01)	(0.03)	(0.03)
Total	**21.78**	**90.23**	**85.23**

NOTE 3. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Bank balance other than cash and cash equivalents :			
Fixed deposit with bank	10,008.18	9,826.60	7,573.74
Sub total	**10,008.18**	**9,826.60**	**7,573.74**
Less: Impairment loss allowance	(3.36)	(2.90)	(2.72)
Total	**10,004.82**	**9,823.70**	**7,571.02**

NOTE 4. RECEIVABLES :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Trade receivables:			
Unsecured, considered good	4,153.65	2,013.20	455.32
Significant increase in credit risk	248.24	1,495.00	175.64
Credit impaired	16.06	108.20	6.22
Sub total	**4,417.95**	**3,616.40**	**637.18**
Less: Impairment loss allowance	(89.60)	(134.72)	(24.97)
Total	**4,328.35**	**3,481.68**	**612.21**

NOTE 4A. OTHER RECEIVABLES:

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Other receivables:			
Unsecured, considered good	87.60	65.31	25.49
Significant increase in credit risk	-	-	-
Credit impaired	-	-	-
Sub total	**87.60**	**65.31**	**25.49**
Less: Impairment loss allowance	(0.63)	(0.42)	(0.17)
Total	**86.97**	**64.89**	**25.32**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 5. LOANS (AT AMORTORTISED COST):

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Loans (At amortortised cost):			
(A)			
(i) Loans repayable on Demand	4.93	0.94	0.24
Total Gross (A)	**4.93**	**0.94**	**0.24**
Less: Impairment loss allowance	(0.04)	(0.01)	(0.00)
Total Net (A)	**4.89**	**0.93**	**0.24**
(B)			
(i) Unsecured	4.93	0.94	0.24
Total Gross (B)	**4.93**	**0.94**	**0.24**
Less: Impairment loss allowance	(0.04)	(0.01)	(0.00)
Total Net (B)	**4.89**	**0.93**	**0.24**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	4.93	0.94	0.24
Total Gross (C) (I)	**4.93**	**0.94**	**0.24**
Less: Impairment loss allowance	(0.04)	(0.01)	(0.00)
Total Net (C) (I)	**4.89**	**0.93**	**0.24**
(II) Loans outside India	**-**	**-**	**-**
Less: Impairment allowance	-	-	-
Total Net (C) (II)	**-**	**-**	**-**
Total (C) (I) and (II)	**4.89**	**0.93**	**0.24**

NOTE 6. INVESTMENTS

₹ in lakhs

Sr. No.	Particulars	31-Mar-19						
		Amortised Cost	At Fair Value			Sub total	Others (At Cost)	Total
			Through Other Comprehensive Income	Through profit or loss	Designated atfair value through profit or loss			
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(A)	Mutual funds			7,970.55		7,970.55		7,970.55
	Debentures	10,156.32				-		10,156.32
	Equity instruments		171,913.99	4.99		171,918.98		171,918.98
	Associates					-	19,897.81	19,897.81
	Venture Capital Funds			90.52		90.52		90.52
	Total Gross (A)	**10,156.32**	**171,913.99**	**8,066.06**	**-**	**179,980.05**	**19,897.81**	**210,034.18**
(B)	(i) Investments outside India					-	1,061.78	1,061.78
	(ii) Investments in India	10,156.32	171,913.99	8,066.06		179,980.05	18,836.03	208,972.40
	Total (B)	**10,156.32**	**171,913.99**	**8,066.06**	**-**	**179,980.05**	**19,897.81**	**210,034.18**
	Less: Impairment allowance	(3.41)				-		(3.41)
	Total Net	**10,152.91**	**171,913.99**	**8,066.06**	**-**	**179,980.05**	**19,897.81**	**210,030.77**

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Sr. No.	Particulars	31-Mar-18						
		Amortised Cost	At Fair Value			Sub total	Others	Total
			Through Other Compre-hensive Income	Through profit or loss	Designated atfair value through profit or loss		(At Cost)	
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(A)	Mutual funds							
	Debentures			19,083.94		19,083.94		19,083.94
	Equity instruments							-
	Associates		138,494.36	4.99		138,499.35		138,499.35
	Venture Capital Funds					-	19,897.81	19,897.81
	Total Gross (A)			**131.87**		**131.87**		**131.87**
(B)	(i) Investments outside India	-	138,494.36	19,220.80	-	157,715.16	19,897.81	177,612.97
	(ii) Investments in India							
	Total (B)					-	1,061.78	1,061.78
	Less: Impairment allowance		138,494.36	19,220.80		157,715.16	18,836.03	176,551.19
	Total Net	**-**	**138,494.36**	**19,220.80**	**-**	**157,715.16**	**19,897.81**	**177,612.97**

₹ in lakhs

Sr. No.	Particulars	1-Apr-17						
		Amortised Cost	At Fair Value			Sub total	Others	Total
			Through Other Compre-hensive Income	Through profit or loss	Designated atfair value through profit or loss		(At Cost)	
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(A)	Mutual funds			14,673.44		14,673.44		14,673.44
	Debentures							-
	Equity instruments		62,695.06	4.99		62,700.05		62,700.05
	Associates					-	19,897.81	19,897.81
	Venture Capital Funds			**358.05**		358.05		**358.05**
	Total Gross (A)	**-**	**62,695.06**	**15,036.48**	**-**	**77,731.54**	**19,897.81**	**97,629.35**
(B)	(i) Investments outside India					-	1,061.78	1,061.78
	(ii) Investments in India		**62,695.06**	**15,036.48**		**77,731.54**	**18,836.03**	**96,567.57**
	Total (B)	-	62,695.06	15,036.48	-	77,731.54	19,897.81	97,629.35
	Less: Impairment allowance					-		-
	Total Net	**-**	**62,695.06**	**15,036.48**	**-**	**77,731.54**	**19,897.81**	**97,629.35**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 7. OTHER FINANCIAL ASSETS :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Other financial assets :			
Security Deposits	-	-	209.97
Other Income receivable	0.67	14.74	0.71
Lease equalisation reserve	-	-	-
Sub total	**0.67**	**14.74**	**210.68**
Less: Impairment loss allowance	(0.00)	(0.15)	(0.68)
Total	**0.67**	**14.59**	**210.00**

NOTE 8. INVESTMENT PROPERTY

A. Reconciliation of carrying amount

₹ in lakhs

Particulars	Premises
Cost or Deemed cost (Gross carrying amount)	
As at 1 April 2017	1,461.60
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2018	1,461.60
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2019	1,461.60
Accumulated depreciation	
As at 1 April 2017	-
Charge for the year	30.49
As at 31 March 2018	30.49
Charge for the year	30.49
As at 31 March 2019	60.98
Carrying amounts	
As at 1 April 2017	1,461.60
As at 31 March 2018	1,431.11
As at 31 March 2019	1,400.62
Fair value	
As at 1 April 2017	1,816.50
As at 31 March 2018	1,816.50
As at 31 March 2019	1,816.50

B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by internal valuer. The fair value measurement for the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique.

ii. Valuation technique

The fair valuation is based on recent prices for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.

Schedules forming part of Balance Sheet and Profit and Loss Account

C. Disclosure pursuant to Ind AS 40 "Investment Property

Particulars	As at 31 March 2019	As at 31 March 2018
Rental income derived from investment property	267.56	303.73
Direct operating expenses arising from investment property that generated rental income	19.17	15.74

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Computers	Vehicles	Office equipment	Total
Deemed cost as on 1 April 2017	**18.17**	**186.13**	**3.37**	**207.67**
Additions during the year	8.30	23.33	1.34	32.97
Disposals during the year	(1.66)	(60.94)	(1.46)	(64.06)
At cost as on 31 March 2018	**24.81**	**148.52**	**3.25**	**176.58**
Accumulated depreciation and impairment as on 1 April 2017	**-**	**-**	**-**	**-**
Depreciation for the year	14.21	85.55	1.25	101.01
Disposals during the year	(1.24)	(35.92)	(0.49)	(37.65)
Accumulated depreciation and impairment as on 31 March 2018	**12.97**	**49.63**	**0.76**	**63.36**
Net carrying amount as on 31 March 2018	**11.84**	**98.89**	**2.49**	**113.22**
At cost as on 31 March 2018	**24.81**	**148.52**	**3.25**	**176.58**
Additions during the year	33.77	291.08	1.85	326.70
Disposals during the year	(0.23)	(25.41)	(2.31)	(27.88)
At cost as on 31 March 2019	**58.35**	**414.19**	**2.79**	**475.40**
Accumulated depreciation and impairment as on 31 March 2018	**12.97**	**49.63**	**0.76**	**63.36**
Depreciation for the year	11.11	104.83	1.09	117.10
Disposals during the year	(0.23)	(25.41)	(1.38)	(27.01)
Accumulated depreciation and impairment as on 31 March 2019	**23.85**	**129.05**	**0.47**	**153.45**
Net carrying amount as on 31 March 2019	**34.50**	**285.14**	**2.32**	**321.96**

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 (1 April 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 1 April 2017 under the previous GAAP.11 Other non financial assets :

Particulars	Computers	Vehicles	Office equipment	Total
Gross Block	147.92	451.88	9.91	609.71
Accumulated Depreciation	(129.75)	(265.75)	(6.54)	(402.04)
Net Block	18.17	186.13	3.37	207.67

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 10. OTHER INTANGIBLE ASSETS

Particulars	Software and System Development
Deemed cost as on 1 April 2017	**16.62**
Additions during the year	
Disposals during the year	
At cost as on 31 March 2018	**16.62**
Accumulated depreciation and impairment as on 1 April 2017	**-**
Depreciation for the year	9.78
Disposals during the year	
Accumulated depreciation and impairment as on 31 March 2018	**9.78**
Net carrying amount as on 31 March 2018	**6.84**
At cost as on 31 March 2018	**16.62**
Additions during the year	2.61
Disposals during the year	-
At cost as on 31 March 2019	**19.16**
Accumulated depreciation and impairment as on 31 March 2018	**9.78**
Depreciation for the year	6.97
Disposals during the year	-
Accumulated depreciation and impairment as on 31 March 2019	**16.68**
Net carrying amount as on 31 March 2019	**2.48**

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 (1 April 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 1 April 2017 under the previous GAAP.

Particulars	Software and System Development
Gross Block	108.38
Accumulated Depreciation	(91.76)
Net Block	16.62

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for intangible assets

NOTE 11. OTHER NON FINANCIAL ASSETS :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Other non financial assets :			
Advances to supplier	-	3.00	-
Advances to employees	-	0.03	-
Other deposits including electricity deposit	1.27	1.27	1.90
GST receivable (Net)	229.55	352.02	161.60
Prepaid expenses	61.33	38.25	38.11
Total	**292.15**	**394.57**	**201.61**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 12. PAYABLES :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Payables :			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	811.04	813.20	251.54
Total	**811.04**	**813.20**	**251.54**

NOTE 13. OTHER FINANCIAL LIABILITIES :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Other financial liabilities :			
Security deposit	19.59	17.94	16.42
Employee related payables	763.42	995.65	494.61
Others	-	-	0.66
Total	**783.01**	**1,013.59**	**511.69**

NOTE 14. PROVISIONS :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Provisions :			
Provision for employee benefits	222.70	190.78	146.59
Provision for gratuity	368.05	331.62	188.66
Provision for stock appreciation rights	937.69	602.95	373.72
Provision for Long Service Awards	5.30	4.20	4.76
Total	**1,533.74**	**1,129.55**	**713.73**

NOTE 15. OTHER NON-FINANCIAL LIABILITIES :

₹ in lakhs

Particulars	Ind AS		
	31-Mar-19	31-Mar-18	1-Apr-17
Other non-financial liabilities :			
Rent received in Advance	7.32	9.01	10.71
Others			
Statutory dues payable	928.29	903.00	313.30
Total	**935.61**	**912.01**	**324.01**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 16. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
Authorised			
Equity shares of ₹ 10 each	1,000	1,000	1,000
Issued, subscribed and paid-up			
Equity shares of ₹ 10 each fully paid	343.61	343.61	343.61
	343.61	**343.61**	**343.61**

Dividends

The Board of Directors recommended a final dividend of ₹ 70 per equity share for the financial year ended 31 March 2019. The payment is subject to approval of the shareholders in the ensuing Annual general meeting of the company, to the held on 25 June 2019 and if approved would result in a cash outflow of approximately ₹2,899.72 lakhs, including dividend distribution tax. Final dividends on equity shares are recorded as a liability on the date of approval by the shareholders.

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

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2017	3,436,149	343.61
Add : Issued during the year	-	-
As at 31 March 2018	3,436,149	343.61
Add : Issued during the year	-	-
As at 31 March 2019	**3,436,149**	**343.61**

b. Terms/ rights attached to equity shares

(i) Right to receive dividend as may be approved by the Board / Annual General Meeting.

(ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act.

(iii) Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

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

Particulars	31-Mar-19		31-Mar-18		1-Apr-17	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited, the holding company (alongwith nominees)	3,436,149	100.00%	3,436,149	100.00%	3,436,149	100.00%
	3,436,149	**100.00%**	**3,436,149**	**100.00%**	**3,436,149**	**100.00%**

d. Details of shareholders holding more than 5% shares in the company

Particulars	31-Mar-19		31-Mar-18		1-Apr-17	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited, the holding company (alongwith nominees)	3,436,149	100.00%	3,436,149	100.00%	3,436,149	100.00%
	3,436,149	**100.00%**	**3,436,149**	**100.00%**	**3,436,149**	**100.00%**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 17. OTHER EQUITY

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
Capital redemption reserve	68.00	68.00	68.00
Securities Premium	6,177.89	6,177.89	6,177.89
Retained Earnings	49,588.41	49,874.90	43,426.26
Equity instrument through OCI	128,775.76	103,328.68	44,925.89
Capital Contribution from Parent	1,266.80	427.26	164.63
Total	**185,876.87**	**159,876.73**	**94,762.67**

Nature and purpose of the reserve

Capital redemption reserve
Capital redemption reserve is created on buy back of equity share capital.

Securities premium
The securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 and is not available for distribution to shareholders.

Retained Earnings
Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders as dividend.

Capital Contribution from Parent
Capital Contribution from Parent represents fair value of the employee stock option plan. These options are issued by parent company "Kotak Mahindra Bank Limited" to the employee of the Company.

NOTE 18. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
REVENUE FROM OPERATIONS		
Sale of Services		
(i) Financial Advisory fees	7,629.94	7,817.97
(ii) Issue Management and Placement fees and underwriting commission	6,456.30	8,706.29
Total	**14,086.24**	**16,524.26**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 19. OTHER INCOME :

₹ in lakhs

	Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
	Other income :		
(i)	**Interest income (On Financial Assets measured at Amortised Cost):**		
	Interest on loans	0.09	0.11
	Interest on deposits with banks	952.11	530.91
	Interest on debentures	262.55	-
	Sub Total	**1,214.75**	**531.02**
(ii)	**Dividend income**	**-**	**0.02**
(iii)	**Rental income**	**267.56**	**303.73**
(iv)	**Net gain/(loss) on fair value changes :**		
	Others		
	- Mutual Fund investments	879.37	1,077.35
	- Venture Capital Fund	(5.88)	(48.25)
	Total Net gain/(loss) on fair value changes	**873.49**	**1,029.10**
	Fair value changes:		
	Realised	1,858.20	656.70
	Unrealised	(984.71)	372.40
	Total Net gain/(loss) on fair value changes	**873.49**	**1,029.10**
(v)	**Other income**		
	Net gain/(loss) on derecognition of property, plant and equipment	45.24	6.98
	Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)	30.56	6.34
	Sub Total	**75.80**	**13.32**
	Total	**2,431.60**	**1,877.19**

NOTE 20. EXPENSES

₹ in lakhs

	Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
	EXPENSES		
(i)	**Finance costs (On financial liabilities measured at amortised cost) :**		
	Interest on Security Deposit	1.66	1.52
	Other interest expense	5.00	3.07
		6.66	**4.59**
(ii)	**Impairment on financial instruments**		
	Trade receivables	16.78	109.75
	Investments	3.41	-
	Other financial assets	2.31	(0.11)
	Total	**22.50**	**109.64**
(iii)	**Employee Benefits expenses :**		
	Salaries and wages	4,170.66	4,217.59
	Contribution to provident and other funds	191.32	175.59
	Share Based Payments to employees	1,734.80	755.79
	Staff welfare expenses	81.26	25.84
	Gratuity	54.38	134.33
	Total	**6,232.42**	**5,309.14**

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

	Particulars	For the year ended 31-Mar-19	31-Mar-18
(iv)	**Depreciation, amortization and impairment**		
	Buildings	30.49	30.49
	Vehicles	104.83	85.55
	Office equipment	1.09	1.24
	Computers	11.18	14.21
	Software	6.91	9.78
	Total	**154.50**	**141.27**
(v)	**Other expenses**		
	Electricity expenses	62.72	56.86
	Rent	1,013.55	1,038.50
	Repairs and maintenance	138.51	129.25
	Communication Costs	59.93	52.68
	Printing and stationery	14.29	66.26
	Advertisement and publicity	11.05	11.91
	Contribution towards Corporate Social Responsibility	35.00	5.00
	Auditor’s fees and expenses - Statutory Audit	21.00	16.00
	Legal and Professional charges	156.60	196.08
	Insurance	17.99	13.83
	Travelling and Conveyance	381.22	381.08
	Rates and Taxes	15.97	15.40
	Common establisment expenses	510.58	501.22
	Miscellaneous expenses	186.83	145.02
	Diminution in value of current investments	-	-
	Total	**2,625.24**	**2,629.09**
	Expenditure incurred for corporate social responsibility :		
	a) Gross amount required to be spent during the year	110.95	56.46
	b) Amount spent during the period	35.00	5.00

NOTE 21. 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.

Sr. No.	Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
A)	Net profit from continued operation attributable to equity holders	4,692.09	6,485.72
B)	Weighted average number of shares	3,436,149	3,436,149
C)	Face value per share (INR)	10	10
D)	Basic earnings per share (INR)	136.55	188.75
E)	Diluted earnings per share (INR)	136.55	188.75

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 22. LEASE DISCLOSURES

Operating Lease as Lessor:
The Company has given office premises under operating lease. These are generally renewable or cancelable at the option of the Lessee and range between 12 months to 120 months.

Rent receipts are recognized in the Statement of Profit and Loss under in Note 19 (iii) as "rental income

i. Future Minimum Lease Payments
Future minimum lease payments expected to be received under non-cancelable lease:

₹ in lakhs

Sr. No.	Particulars	31-Mar-19	31-Mar-18	1-Apr-17
(A)	Less than one year	72.77	66.16	66.15
(B)	Between one and five years	265.00	308.61	291.08
(C)	More than five years	-	29.16	112.85
	Total	**337.77**	**403.93**	**470.08**

ii. Amounts recognised in profit or loss

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(A)	Rent income	267.56	303.73
	Total	**267.56**	**303.73**

Operating Lease as Lessee:
The Company has taken office and residential premises under operating lease or leave and license agreements. These are generally renewable or cancelable at the option of the Company and range between 11 months to 36 months.

Amounts recognised in profit or loss

₹ in lakhs

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A)	Rent expense	1,013.55	1,038.50
	Total	**1,013.55**	**1,038.50**

NOTE 23. EMPLOYEE BENEFITS

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

(i) Defined Contribution Plans:
The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes."

The Company recognised 182.86 lakhs (previous year 170.13 lakhs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised 2.00 lakhs (previous year 2.00 lakhs) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of ₹ 20 lakhs. (Previous Year ₹ 20 lakhs). The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date."

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
Present value of funded defined benefit obligation (A)	368.05	331.62	188.66
Fair value of plan assets (B)	-	-	-
Net (asset) / liability recognised in the Balance Sheet (A-B)	368.05	331.62	188.66

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

₹ in lakhs

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Opening balance	**331.62**	**188.66**			**331.62**	**188.66**
Included in profit or loss					-	-
Current service cost	31.92	14.91			31.92	14.91
Past service cost	-	106.42			-	106.42
Interest cost (income)	22.47	13.00			22.47	13.00
	386.01	**322.99**	**-**	**-**	**386.01**	**322.99**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	(0.19)	31.96			(0.19)	31.96
Financial assumptions	14.73	(12.71)			14.73	(12.71)
Experience adjustment	(2.79)	37.75			(2.79)	37.75
	11.75	**57.00**	**-**	**-**	**11.75**	**57.00**
Other						
Benefits paid	(29.71)	(48.37)			(29.71)	(48.37)
Closing balance	**368.05**	**331.62**	**-**	**-**	**368.05**	**331.62**
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	**368.05**	**331.62**			**368.05**	**331.62**

Schedules forming part of Balance Sheet and Profit and Loss Account

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31-Mar-19	31-Mar-18
Discount rate	7.15%	7.90%
Salary escalation rate	7.00%	7.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Impact of change in assumptions	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(9.95)	10.51	(8.27)	8.72
Future salary growth (0.5% movement)	3.82	(3.90)	3.32	(3.56)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Risk exposure

A decrease in Government Securities yield will increase plan liabilities. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

D. Expected Future Cash Flows

Expected contribution:

There is no compulsion on the part of the Company to pre fund the liability of the plan. The Company's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

The expected contribution payable to the plan next year is therefore Nil.

Expected future benefit payments:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	₹ in lakhs
Expected benefits for Year 1	78.70
Expected benefits for Year 2	44.88
Expected benefits for Year 3	54.39
Expected benefits for Year 4	31.89
Expected benefits for Year 5	41.34
Expected benefits for Year 6	36.98
Expected benefits for Year 7	44.66
Expected benefits for Year 8	32.31
Expected benefits for Year 9	19.11
Expected benefits for Year 10 and above	215.03

NOTE 24. SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Equity Stock Options Schemes (equity-settled)

At the General Meetings of the holding company, Kotak Mahindra Bank Limited (Bank), the shareholders of the Bank had unanimously passed Special Resolutions to grant options to the eligible employees of the Bank and its subsidiary and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

(a) Kotak Mahindra Equity Option Scheme 2007; and

(b) Kotak Mahindra Equity Option Scheme 2015

Consequent to the above, the Bank has granted stock options to the employees of the Comany.

During the year ended March 31,2019 following schemes were in operation:

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Contractual Life	Vesting period	Exercisable at the end of the year	Remaining contractual life
ESOP 2007-47								
D	5/9/2015	Equity settled	6,940	665.00	4.15	3.65	6,940.00	0.50
ESOP 2015-02								
C	19-May-16	Equity settled	19,928	710.00	3.62	3.12		0.75
D	19-May-16	Equity settled	19,928	710.00	3.87	3.53		1.00
ESOP 2015-07								
B	15-May-17	Equity settled	60,444	955.00	2.96	2.46		1.08
C	15-May-17	Equity settled	40,296	955.00	3.63	3.13		1.76
D	15-May-17	Equity settled	40,296	955.00	4.13	3.63		2.25
ESOP 2015-08								
A	15-May-17	Equity settled	6,385	955.00	2.88	2.38		1.00
B	15-May-17	Equity settled	6,385	955.00	3.88	3.38		2.00
ESOP 2015-14								
A	18-May-18	Equity settled	142,656	1,271.00	1.71	1.20		0.84
B	18-May-18	Equity settled	142,656	1,271.00	2.95	2.46		2.08
C	18-May-18	Equity settled	95,104	1,271.00	3.62	3.12		2.76
D	18-May-18	Equity settled	95,104	1,271.00	4.12	3.62		3.25

Schedules forming part of Balance Sheet and Profit and Loss Account

During the year ended March 31,2018 following schemes were in operation:

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Exercise Price	Contractual Life	Vesting period	Exercisable at the end of the year	Remaining contractual life
ESOP 2007-44								
B	9-May-14	Equity settled	622	406	2.73	2.23	622	0.50
D	9-May-14	Equity settled	3,360	406	4.15	3.65	3,360	0.50
ESOP 2007-47								
C	9-May-15	Equity settled	14,420	665	3.65	3.15		0.75
D	9-May-15	Equity settled	14,420	665	4.15	3.65		1.25
ESOP 2015-02								
A	19-May-16	Equity settled	5,244	710	1.87	1.37		-
B	19-May-16	Equity settled	29,892	710	2.70	2.20		0.84
C	19-May-16	Equity settled	19,928	710	3.62	3.12		1.75
D	19-May-16	Equity settled	19,928	710	3.87	3.53		2.00
ESOP 2015-07								
A	15-May-17	Equity settled	60,699	955	1.79	1.30		0.92
B	15-May-17	Equity settled	60,699	955	2.96	2.46		2.08
C	15-May-17	Equity settled	40,466	955	3.63	3.13		2.76
D	15-May-17	Equity settled	40,466	955	4.13	3.63		3.25
ESOP 2015-08								
A	15-May-17	Equity settled	6,385	955	2.88	2.38		2.00
B	15-May-17	Equity settled	6,385	955	3.88	3.38		3.00

Activity in the options outstanding under the employee's stock option Scheme are as follows:

Scheme reference	Grant date	Balance as at April 01, 2018	Granted during the year	Exercised during the year	Lapsed/cancelled during the year	Balance as at March 31, 2019
ESOP 2007-44	9-May-14	3,982		3,982		-
ESOP 2007-47	9-May-15	28,840		21,900		6,940
ESOP 2015-02	19-May-16	74,992		35,136		39,856
ESOP 2015-07	15-May-17	202,330		59,418	1,876	141,036
ESOP 2015-08	15-May-17	12,770				12,770
ESOP 2015-14	18-May-18		478,600		3,080	475,520
Total		**322,914**	**478,600**	**120,436**	**4,956**	**676,122**

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant date	Balance as at April 01, 2017	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Balance as at March 31, 2018
ESOP 2007-40	10-May-13	352		352		-
ESOP 2007-44	9-May-14	12,472		7,902	588	3,982
ESOP 2007-47	9-May-15	53,560		22,520	2,200	28,840
ESOP 2015-02	19-May-16	112,260		25,533	11,735	74,992
ESOP 2015-07	15-May-17		215,820		13,490	202,330
ESOP 2015-08	15-May-17		12,770			12,770
Total		**178,644**	**228,590**	**56,307**	**28,013**	**322,914**

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

The inputs for the year ended 31 March 2019 were as follows:

Scheme	Grant Date	Exercise Price (INR)	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per share options (INR)
2015/14	18-May-18	1,271.00	1.45	0.06%	18.68%	7.44%	184.60
2015/14	18-May-18	1,271.00	2.71	0.06%	32.95%	7.83%	383.29
2015/14	18-May-18	1,271.00	3.37	0.06%	32.13%	7.97%	433.45
2015/14	18-May-18	1,271.00	3.87	0.06%	31.43%	7.99%	465.70
2015/15	18-May-18	1,271.00	1.62	0.06%	19.07%	7.50%	201.58
2015/16	18-May-18	1,271.00	2.46	0.06%	19.74%	7.75%	277.28
2015/16	18-May-18	1,271.00	3.46	0.06%	31.94%	7.98%	438.73
2015/17	16-Nov-18	900.00	1.10	0.06%	21.98%	7.51%	346.24
2015/17	16-Nov-18	900.00	2.21	0.06%	20.17%	7.55%	414.88
2015/17	16-Nov-18	900.00	2.87	0.06%	20.66%	7.57%	455.30
2015/17	16-Nov-18	900.00	3.37	0.06%	31.74%	7.60%	522.78
2015/18	27-Dec-18	1,248.00	1.30	0.06%	23.74%	6.97%	189.35
2015/18	27-Dec-18	1,248.00	2.30	0.06%	21.49%	7.15%	261.50
2015/18	27-Dec-18	1,248.00	3.30	0.06%	31.96%	7.20%	405.89
2015/18	27-Dec-18	1,248.00	3.80	0.06%	31.72%	7.21%	439.25

The inputs for the year ended 31 March 2018 were as follows:

Scheme	Grant Date	Exercise Price (INR)	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per share options (INR)
2015/07	15-May-17	955.00	1.54	0.06%	20.74%	6.64%	145.98
2015/07	15-May-17	955.00	2.71	0.06%	35.44%	6.77%	289.06
2015/07	15-May-17	955.00	3.38	0.06%	33.81%	6.88%	320.11
2015/07	15-May-17	955.00	3.88	0.06%	34.20%	6.95%	349.84
2015/08	15-May-17	955.00	2.63	0.06%	35.84%	6.76%	285.89
2015/08	15-May-17	955.00	3.63	0.06%	33.27%	6.92%	331.03
2015/09	15-May-17	955.00	1.63	0.06%	39.37%	6.65%	231.76
2015/10	9-Oct-17	700.00	1.19	0.06%	18.12%	6.30%	400.35
2015/10	9-Oct-17	700.00	2.31	0.06%	35.40%	6.55%	479.48
2015/10	9-Oct-17	700.00	2.98	0.06%	33.99%	6.63%	508.82

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme	Grant Date	Exercise Price (INR)	Expected life (Years)	Annual Dividend yield	Volatility	Risk free rate	Fair value per share options (INR)
2015/10	9-Oct-17	700.00	3.48	0.06%	32.84%	6.67%	527.99
2015/11	6-Sep-17	988.40	1.90	0.06%	19.76%	6.39%	166.29
2015/11	6-Sep-17	988.40	2.90	0.06%	34.28%	6.51%	301.66
2015/11	6-Sep-17	988.40	3.40	0.06%	33.10%	6.55%	324.06
2015/12	24-Oct-17	1,062.00	1.25	0.06%	18.19%	6.31%	128.37
2015/12	24-Oct-17	1,062.00	2.25	0.06%	35.66%	6.54%	287.67
2015/12	24-Oct-17	1,062.00	3.25	0.06%	33.15%	6.65%	340.90
2015/12	24-Oct-17	1,062.00	3.75	0.06%	32.45%	6.68%	366.06
2015/13	14-Mar-18	1,084.00	1.55	0.06%	18.41%	6.94%	158.33
2015/13	14-Mar-18	1,084.00	2.55	0.06%	33.71%	7.19%	312.21
2015/13	14-Mar-18	1,084.00	3.55	0.06%	32.06%	7.42%	371.77

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The measurement of fair value was not adjusted for any other feature of the option grant and no option grant was subject to a market condition.

ii. Stock appreciation rights (cash-settled)

At the General Meeting of the holding company, Kotak Mahindra Bank Limited (Bank), the shareholders of the Bank had unanimously passed Special Resolution on 29th June, 2015 to grant stock appreciation rights (SARs) to the eligibl employees of the Bank, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 has been formulated and adopted. Subsequently, the SARs have been granted under this scheme and the existing SARs will continue.

During the year ended March 31, 2019 following schemes were in operation:

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Vesting conditions / Dates	Contratual Life
2015-4 (Series 4)					
Series 2015/04 V7	19-May-16	Cash settled	1,774	30-Jun-19	3.12
Series 2015/04 V8	19-May-16	Cash settled	1,774	7-Jul-19	3.13
Series 2015/04 V9	19-May-16	Cash settled	1,794	14-Jul-19	3.15
Series 2015/04 V10	19-May-16	Cash settled	1,774	30-Nov-19	3.53
Series 2015/04 V11	19-May-16	Cash settled	1,774	7-Dec-19	3.55
Series 2015/04 V12	19-May-16	Cash settled	1,794	14-Dec-19	3.57
2015-7 (Series 7)					
Series 2015/07 V2	19-May-16	Cash settled	7,040	30-Apr-19	2.95
2015-9 (Series 9)					
Scheme 2015 /V2-1	15-May-17	Cash settled	4325	31-Oct-19	2.46
Scheme 2015/V2-2	15-May-17	Cash settled	4325	7-Nov-19	2.48
Scheme 2015/V2-3	15-May-17	Cash settled	4325	14-Nov-19	2.50
Scheme 2015/V3-1	15-May-17	Cash settled	2873	30-Jun-20	3.13
Scheme 2015/V3-2	15-May-17	Cash settled	2873	7-Jul-20	3.15
Scheme 2015/V3-3	15-May-17	Cash settled	2904	14-Jul-20	3.17
Scheme 2015/V4-1	15-May-17	Cash settled	2873	31-Dec-20	3.63
Scheme 2015/V4-2	15-May-17	Cash settled	2873	7-Jan-21	3.65
Scheme 2015/V4-3	15-May-17	Cash settled	2904	14-Jan-21	3.67

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Vesting conditions / Dates	Contratual Life
2015-17 (Series 17)					
Scheme 2015/Series 17	18-May-18	Cash settled	8267	31-Jul-19	1.20
Scheme 2015/Series 17	18-May-18	Cash settled	8267	7-Aug-19	1.22
Scheme 2015/Series 17	18-May-18	Cash settled	8267	14-Aug-19	1.24
Scheme 2015/Series 17	18-May-18	Cash settled	8267	31-Oct-20	2.46
Scheme 2015/Series 17	18-May-18	Cash settled	8267	7-Nov-20	2.48
Scheme 2015/Series 17	18-May-18	Cash settled	8267	14-Nov-20	2.50
Scheme 2015/Series 17	18-May-18	Cash settled	5510	30-Jun-21	3.12
Scheme 2015/Series 17	18-May-18	Cash settled	5510	7-Jul-21	3.14
Scheme 2015/Series 17	18-May-18	Cash settled	5514	14-Jul-21	3.16
Scheme 2015/Series 17	18-May-18	Cash settled	5510	30-Dec-21	3.62
Scheme 2015/Series 17	18-May-18	Cash settled	5510	7-Jan-22	3.64
Scheme 2015/Series 17	18-May-18	Cash settled	5514	14-Jan-22	3.66

During the year ended March 31, 2018 following schemes were in operation:

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Vesting conditions / Dates	Contratual Life
2015-4 (Series 4)					
Series 2015/04 V3	9-May-15	Cash settled	4,236	30-Jun-18	3.15
Series 2015/04 V4	9-May-15	Cash settled	4,236	31-Dec-18	3.65
2015-4 (Series 4)					
Series 2015/04 V4	19-May-16	Cash settled	2,666	31-Jul-18	2.20
Series 2015/04 V5	19-May-16	Cash settled	2,666	7-Aug-18	2.22
Series 2015/04 V6	19-May-16	Cash settled	2,666	14-Aug-18	2.24
Series 2015/04 V7	19-May-16	Cash settled	1,771	30-Jun-19	3.12
Series 2015/04 V8	19-May-16	Cash settled	1,771	7-Jul-19	3.13
Series 2015/04 V9	19-May-16	Cash settled	1,790	14-Jul-19	3.15
Series 2015/04 V10	19-May-16	Cash settled	1,771	30-Nov-19	3.53
Series 2015/04 V11	19-May-16	Cash settled	1,771	7-Dec-19	3.55
Series 2015/04 V12	19-May-16	Cash settled	1,790	14-Dec-19	3.57
2015-2 (Series 2)					
Scheme 2015 - Series 2	26-Oct-15	Cash settled	8708	30-Apr-18	2.51
2015-7 (Series 7)					
Series 2015/07 V1	19-May-16	Cash settled	7040	30-Apr-18	1.95
Series 2015/07 V2	19-May-16	Cash settled	7040	30-Apr-19	2.95
2015-9 (Series 9)					
Scheme 2015/ Series 09 V1-1	15-May-17	Cash settled	4343	31-Aug-18	1.30
Scheme 2015/ Series 09 V1-2	15-May-17	Cash settled	4343	7-Sep-18	1.32
Scheme 2015/ Series 09 V1-3	15-May-17	Cash settled	4343	14-Sep-18	1.33
Scheme 2015/ Series 09 V2-1	15-May-17	Cash settled	4343	31-Oct-19	2.46
Scheme 2015/ Series 09 V2-2	15-May-17	Cash settled	4343	7-Nov-19	2.48
Scheme 2015/ Series 09 V2-3	15-May-17	Cash settled	4343	14-Nov-19	2.50
Scheme 2015/ Series 09 V3-1	15-May-17	Cash settled	2885	30-Jun-20	3.13

Schedules forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant Date	Mode of settlement accounting	No. of Options	Vesting conditions / Dates	Contratual Life
Scheme 2015/ Series 09 V3-2	15-May-17	Cash settled	2885	7-Jul-20	3.15
Scheme 2015/ Series 09 V3-3	15-May-17	Cash settled	2916	14-Jul-20	3.17
Scheme 2015/ Series 09 V4-1	15-May-17	Cash settled	2885	31-Dec-20	3.63
Scheme 2015/ Series 09 V4-2	15-May-17	Cash settled	2885	7-Jan-21	3.65
Scheme 2015/ Series 09 V4-3	15-May-17	Cash settled	2916	14-Jan-21	3.67

Detail of activity under SARs is summarised below:

Scheme reference	Grant date	Balance as at April 01, 2018	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Balance as at March 31, 2019
2015-2 (Series 2)	26-Oct-15	8,708		8,708		-
2015-4 (Series 4)	9-May-15	8,472		8,472		-
2015-4 (Series 4)	19-May-16	18,662	20	7,998		10,684
2015-7 (Series 7)	19-May-16	14,080		7,040		7,040
2015-9 (Series 9)	15-May-17	43,430		13,029	126	30,275
2015-17 (Series 17)	18-May-18		83,360		690	82,670
Total		**93,352**	**83,380**	**45,247**	**816**	**130,669**

Scheme reference	Grant date	Balance as at April 01, 2017	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Balance as at March 31, 2018
2014-2 (Series 2)	9-May-14	3,376.00			3,376.00	-
2015-4 (Series 4)	9-May-15	15,414.00		6,942.00		8,472
2015-4 (Series 4)	19-May-16	30,030.00	390.00	11,758.00		18,662
2015-2 (Series 2)	26-Oct-15	17,419.00		8,711.00		8,708
2015-7 (Series 7)	19-May-16	14,080.00				14,080
2015-9 (Series 9)	15-May-17		46,330.00		2,900.00	43,430
Total		**80,319.00**	**46,720.00**	**27,411.00**	**6,276.00**	**93,352.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

The inputs for the year ended 31 March 2019 were as follows:

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Dividend yield	Volatility	Fair value per option
2015-4 (Series 4)									
Tranche VII	19-May-16	0.25	0.25	-	1,334.50	6.25%	0.05%	20.12%	1,334.32
Tranche VIII	19-May-16	0.27	0.27	-	1,334.50	6.26%	0.05%	19.74%	1,334.31
Tranche IX	19-May-16	0.29	0.29	-	1,334.50	6.27%	0.05%	20.04%	1,334.30
Tranche X	19-May-16	0.67	0.67	-	1,334.50	6.42%	0.05%	27.53%	1,334.03
Tranche XI	19-May-16	0.69	0.69	-	1,334.50	6.43%	0.05%	27.22%	1,334.02
Tranche XII	19-May-16	0.71	0.71	-	1,334.50	6.44%	0.05%	27.23%	1,334.00
Series 2015-7 (Series 7)									
Tranche II	19-May-16	0.08	0.08	-	1,334.50	6.18%	0.05%	22.15%	1,334.44
Series 2015-9 (Series 9)									
Tranche IV	15-May-17	0.59	0.59	-	1,334.50	6.39%	0.05%	28.06%	1,334.09
Tranche V	15-May-17	0.61	0.61	-	1,334.50	6.40%	0.05%	27.79%	1,334.08
Tranche VI	15-May-17	0.62	0.62	-	1,334.50	6.41%	0.05%	27.91%	1,334.06
Tranche VII	15-May-17	1.25	1.25	-	1,334.50	6.58%	0.05%	24.16%	1,333.62
Tranche VIII	15-May-17	1.27	1.27	-	1,334.50	6.59%	0.05%	24.03%	1,333.61
Tranche IX	15-May-17	1.29	1.29	-	1,334.50	6.59%	0.05%	23.89%	1,333.60
Tranche X	15-May-17	1.76	1.76	-	1,334.50	6.64%	0.05%	22.45%	1,333.27
Tranche XI	15-May-17	1.78	1.78	-	1,334.50	6.65%	0.05%	22.36%	1,333.26
Tranche XII	15-May-17	1.79	1.79	-	1,334.50	6.65%	0.05%	22.31%	1,333.24
Series 2015-17 (Series 17)									
Tranche I	18-May-18	0.33	0.33	-	1,334.50	6.29%	0.05%	27.91%	1,334.27
Tranche II	18-May-18	0.35	0.35	-	1,334.50	6.30%	0.05%	27.33%	1,334.25
Tranche III	18-May-18	0.37	0.37	-	1,334.50	6.31%	0.05%	27.53%	1,334.24
Tranche IV	18-May-18	1.59	1.59	-	1,334.50	6.63%	0.05%	23.04%	1,333.39
Tranche V	18-May-18	1.61	1.61	-	1,334.50	6.63%	0.05%	22.98%	1,333.37
Tranche VI	18-May-18	1.63	1.63	-	1,334.50	6.63%	0.05%	22.94%	1,333.36
Tranche VII	18-May-18	2.25	2.25	-	1,334.50	6.68%	0.05%	21.63%	1,332.92
Tranche VIII	18-May-18	2.27	2.27	-	1,334.50	6.69%	0.05%	21.55%	1,332.91
Tranche IX	18-May-18	2.29	2.29	-	1,334.50	6.69%	0.05%	21.47%	1,332.90
Tranche X	18-May-18	2.75	2.75	-	1,334.50	6.74%	0.05%	21.08%	1,332.57
Tranche XI	18-May-18	2.78	2.78	-	1,334.50	6.74%	0.05%	21.06%	1,332.56
Tranche XII	18-May-18	2.79	2.79	-	1,334.50	6.74%	0.05%	21.03%	1,332.54

Schedules forming part of Balance Sheet and Profit and Loss Account

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

The inputs for the year ended 31 March 2018 were as follows:

Scheme	Grant Date	Vesting period	Expected life (Years)	Exercise Price (INR)	Market price (INR)	Risk free rate	Dividend yield	Volatility	Fair value per option
2015-4 (Series 4)									
Tranche III	9-May-15	0.25	0.25	5.00	1,069.21	6.14%	0.06%	19.23%	1 064.14
Tranche IV	9-May-15	0.75	0.75	5.00	1,069.21	6.50%	0.06%	18.10%	1,064.00
2015-4 (Series 4)									
Tranche IV	19-May-16	0.33	0.33	-	1,047.80	6.21%	0.06%	17.88%	1,047.60
Tranche V	19-May-16	0.35	0.35	-	1,047.80	6.22%	0.06%	17.76%	1,047.59
Tranche VI	19-May-16	0.37	0.37	-	1,047.80	6.24%	0.06%	17.44%	1,047.58
Tranche VII	19-May-16	1.25	1.25		1,047.80	6.74%	0.06%	18.25%	1,047.05
Tranche VIII	19-May-16	1.27	1.27	-	1,047.80	6.75%	0.06%	18.14%	1,047.04
Tranche IX	19-May-16	1.29	1.29		1,047.80	6.75%	0.06%	18.03%	1,047.03
Tranche X	19-May-16	1.67	1.67	-	1,047.80	6.86%	0.06%	18.27%	1,046.80
Tranche XI	19-May-16	1.69	1.69	-	1,047.80	6.87%	0.06%	18.35%	1,046.79
Tranche XII	19-May-16	1.71	1.71	-	1,047.80	6.87%	0.06%	18.31%	1,046.78
2015-2 (Series 2)									
Tranche II	26-Oct-15	0.08	0.08	5.00	1,069.21	6.01%	0.06%	16.9S%	1,064.19
2015-7 (Series 7)									
Series 2015/07 V1	19-May-16	0.08	0.08	-	1,047.80	6.01%	0.06%	16.95%	1,047.75
Series 2015/07 V2	19-May-16	1.08	1.08	-	1,047.80	6.67%	0.06%	17.51%	1,047.15
2015-9 (Series 9)									
Tranche I	15-May-17	0.42	0.42	-	1,047.80	6.27%	0.06%	16.74%	1,047.55
Tranche II	15-May-17	0.44	0.44	-	1,047.80	6.29%	0.06%	18.62%	1,047.54
Tranche III	15-May-17	0.46	0.46	-	1,047.80	6.30%	0.06%	18.79%	1,047.52
Tranche IV	15-May-17	1.59	1.59	-	1,047.80	6.84%	0.06%	18.36%	1,046.85
Tranche V	15-May-17	1.61	1.61	-	1,047.80	6.85%	0.06%	18.28%	1 046.84
Tranche VI	15-May-17	1.62	1.62	-	1,047.80	6.85%	0.06%	18.32%	1,046.82
Tranche VII	15-May-17	2.25	2.25	-	1,047.80	7.01%	0.06%	19.52%	1,046.45
Tranche VIII	15-May-17	2.27	2.27	-	1,047.80	7.01%	0.06%	19.48%	1,046 44
Tranche IX	15-May-17	2.29	2.29	-	1,047.80	7.02%	0.06%	19.46%	1,046.43
Tranche X	15-May-17	2.76	2.76	-	1,047.80	7 15%	0.06%	21.00%	1,046.15
Tranche XI	15-May-17	2.78	2.78	-	1,047.80	7.15%	0.06%	21.03%	1,046.14
Tranche XII	15-May-17	2.79	2.79	-	1,047.80	7.16%	0.06%	21.03%	1,046.12

Effect of the employee share-based payment plans on the Statement of Profit and Loss Account and on the Balance Sheet:

Statement of profit and loss

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee Stock Option Plan	839.54	262.62
Stock Appreciation Rights	895.26	493.17
Total employee share-based payment expenses	**1,734.80**	**755.79**

Balance sheet

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
SAR Liability	937.69	602.95	373.72
Intrinsic value of liability	938.15	601.39	376.67

NOTE 25. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilties:

Carrying amounts of financial assets and financial liabilities as per their classification are presented below:

₹ in lakhs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	FVTPL	FVTOCI	Amortised cost	Others	FVTPL	FVTOCI	Amortised cost	Others	FVTPL	FVTOCI	Amortised cost	Others
Financial Assets												
Cash and cash equivalents	-	-	21.78	-	-	-	90.23	-	-	-	85.23	-
Bank Balance other than cash and cash equivalent	-	-	10,004.82	-	-	-	9,823.70	-	-	-	7,571.02	-
Receivables:												
Trade receivables	-	-	4,328.35	-	-	-	3,481.68	-	-	-	612.21	-
Other receivables	-	-	86.97	-	-	-	64.89	-	-	-	25.32	-
Loans:												
Repayable on demand	-	-	4.89	-	-	-	0.93	-	-	-	0.24	-
Investments:												
Mutual funds	7,970.55	-	-	-	19,083.94	-	-	-	14,673.44	-	-	-
Debentures	-	-	10,152.91	-	-	-	-	-	-	-	-	-
Venture Funds	90.52	-	-	-	131.87	-	-	-	358.05	-	-	-
Equity instruments:												
Associates	-	-	-	19,897.81	-	-	-	19,897.81	-	-	-	19,897.81
Others	4.99	171,913.99		-	4.99	138,494.36	-	-	4.99	62,695.06	-	-
Other financial assets	-	-	0.67	-	-	-	14.59	-	-	-	210.00	-
Total financial assets	**8,066.06**	**171,913.99**	**24,600.39**	**19,897.81**	**19,220.80**	**138,494.36**	**13,476.02**	**19,897.81**	**15,036.48**	**62,695.06**	**8,504.02**	**19,897.81**
Financial liabilities												
Trade Payables	-	-	811.04	-	-	-	813.20	-	-	-	251.54	-
Other Financial Liability	-	-	783.01	-	-	-	1,013.59	-	-	-	511.69	-
Total financial liabilities	**-**	**-**	**1,594.05**	**-**	**-**	**-**	**1,826.79**	**-**	**-**	**-**	**763.23**	**-**

B. Fair value

Fair values of financial assets and financial liabilities measured as fair value, including their levels in the fair value hierarchy, are presented below.

₹ in lakhs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Investments:												
Mutual funds	7,970.55	-	-	7,970.55	19,083.94	-	-	19,083.94	14,673.44	-	-	14,673.44
Equity instruments:												
Venture Funds	-	90.52	-	90.52	-	131.87	-	131.87	-	358.05	-	358.05
Others	-	171,913.99	4.99	171,918.98	-	-	138,499.35	138,499.35	-	-	62,700.05	62,700.05
Total financial assets	**7,970.55**	**172,004.51**	**4.99**	**179,980.05**	**19,083.94**	**131.87**	**138,499.35**	**157,715.16**	**14,673.44**	**358.05**	**62,700.05**	**77,731.54**

Schedules forming part of Balance Sheet and Profit and Loss Account

Fair values of financial assets and financial liabilities not measured at fair value, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

₹ in lakhs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Debentures	-	10,388.90	-	10,388.90	-	-	-	-	-	-	-	-
Total financial assets	**-**	**10,388.90**	**-**	**10,388.90**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities												
Other Financial Liability	-	19.89	-	19.89	-	17.94	-	-	-	16.42	-	-
Total financial liabilities	**-**	**19.89**	**-**	**19.89**	**-**	**17.94**	**-**	**-**	**-**	**16.42**	**-**	**-**

Fair value of financial assets and liabilities measured at amortised cost

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Cash and cash equivalents	21.78	21.78	90.23	90.23	85.23	85.23
Bank Balance other than cash and cash equivalent	10,004.82	10,004.82	9,823.70	9,823.70	7,571.02	7,571.02
Receivables:						
Trade receivables	4,328.35	4,328.35	3,481.68	3,481.68	612.21	612.21
Other receivables	86.97	86.97	64.89	64.89	25.32	25.32
Loans	4.89	4.89	0.93	0.93	0.24	0.24
Investments:						
Debentures	10,152.91	10,388.90	-	-	-	-
Other financial assets	0.67	0.67	14.59	14.59	210.00	210.00
Total financial assets	**24,600.39**	**24,836.38**	**13,476.01**	**13,476.01**	**8,504.02**	**8,504.02**
Financial liabilities						
Payables						
Trade Payables	811.04	811.04	813.20	813.20	251.54	251.54
Other Financial Liability	783.01	783.01	1,013.59	1,013.59	511.69	511.69
Total financial liabilities	**1,594.05**	**1,594.05**	**1,826.79**	**1,826.79**	**763.23**	**763.23**

The carrying amounts of Cash and cash equivalents, Bank balances, trade and other receivables, loan to employees, trade payables and other financial liabilities are considered to be approximate to their fair values due to their short-term nature.

C. Measurement of fair values

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Bank has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges in valued using the closing price as at the reporting period. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

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 cash in hand and bank balances, trade receivables, trade payables, loans repayable on demand and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Valuation techniques used to determine fair value

Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Investments in Debentures

The fair values have been calculated using the discounted cash flow approach.The discount rates were based on yield curves appropriate for the remaining maturities of the instruments as published by FIBIL.

Investment in Venture Capital Funds

The fair values of investments in venture capital funds is based on the net asset value ('NAV') as stated by the issuers of these venture capital fund units

Investment in Equity instruments (Classified as level 3)

Fair value has been determined by using the following approaches:

Comparable Companies Multiple Method: Under this method the value of shares/business of a company is determined based on market multiples of publicly traded comparable companies.

Comparable Transaction multiple method: Under this method the value of shares/business of a company is determined based on market multiples of publicly disclosed transactions in the similar segment as that of the company being valuedDiscounted Cash Flow (DCF) : Under a DCF approach, forecast cash flows are discounted back to the present date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the valuation date to give an overall value for the business.

Cost Approach : Break Up Value method has been adopted for valuation of equity shares.

Investment in Equity instruments (Classified as level 2)

Fair value has been determined by using the following approaches:

Comparable Companies Multiple Method: Under this method the value of shares/business of a company is determined based on market multiples of publicly traded comparable companies.

Comparable Transaction multiple method: Under this method the value of shares/business of a company is determined based on market multiples of publicly disclosed transactions in the similar segment as that of the company being valued.

Cost Approach : Break Up Value method has been adopted for valuation of equity shares.

Schedules forming part of Balance Sheet and Profit and Loss Account

Fair value of financial instruments carried at amortised cost

Investment securities held at amortised cost

Securities classified as held at amortised cost were, for the purposes of this disclosure, fair valued based on quoted market prices. If quoted market prices were not available, fair values were estimated using market yield on balance period to maturity on similar instruments and similar credit risk. The Bank records credit risk valuation adjustments in order to reflect the credit quality of the counterparties. Observable inputs include assumptions such as interest rates. Unobservable inputs include assumptions such as expected future default rates, prepayment rates and market liquidity discounts.

Deposits

The fair value of deposits without defined maturities are the amounts payable on demand. For deposits with defined maturities, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Transfers between Level 1 and Level 2

There were no transfers between level 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

₹ in lakhs

Particulars	As at April 1, 2018	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in Other Comprehensive Income	Purchases	Sales/ Settlements	Transfers in/ (out)	As at March 31, 2019
Investments in Equity Instruments	138,499.35	-	33,419.62	-	-	(171,913.99)	4.99

Particulars	As at April 1, 2017	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in Other Comprehensive Income	Purchases	Sales/ Settlements	Transfers in/ (out)	As at March 31, 2018
Investments in Equity Instruments	62,700.05	-	75,799.31	-	-	-	138,499.35

Transfer out of Level 3

The fair value of one unquoted equity investment (classified as FVOCI) was categorised as Level 3 at March 31, 2018 since the fair value of shares was computed using projected cash flow. During the year 2018-19, the Company has valued the investment in such unquoted equity investment considering the market multiple method using market available information of comparable companies and comparable transactions. Accordingly, the fair value measurement was transferred from Level 3 to Level 2 of the fair value hierarchy at March 31, 2019.

The table below lists key unobservable inputs to Level 3 financial instruments, and provides the range of those inputs as at March 31, 2019:

Sensitivity analysis of Level 3 financial instruments measured at fair value on a recurring basis

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Investment in unquoted equity shares:				
If expected cash flows/price were higher / (lower) by 500 bps and the discount rate lower / (higher) by 100 bps, the fair value would increase / (decrease)	0.25	(0.25)	4,689.15	(3,917.49)

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management committee oversees how the management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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 receivables from customers and loans and advances. The carrying amounts of following financial assets represent the maximum credit risk exposure:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade receivables	4,417.95	3,616.40	637.18
Other receivables	87.60	65.31	25.49
Investment in debentures	10,156.32	-	-
Cash and cash equivalents	21.79	90.26	85.26
Bank Balance other than (a) above	10,008.18	9,826.60	7,573.74
Other financial assets	5.60	15.68	210.92
Total	**24,697.44**	**13,614.25**	**8,532.59**

Schedules forming part of Balance Sheet and Profit and Loss Account

a. Credit quality analysis

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

₹ in lakhs

Particulars	As at March 31, 2019			Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Trade Receivables				
Current		2,607.98		2,607.98
Past due 1–30 days		1,545.68		1,545.68
Past due 31–60 days		248.24		248.24
Past due 61–90 days		-		-
Past due 90 days			16.06	16.06
	-	4,401.90	16.06	4,417.96
Less: Impairment Allowance		(87.20)	(2.41)	(89.61)
Carrying amount	-	4,314.70	13.65	4,328.35
Other receivables				
Current	87.60			
	87.60	-	-	-
Less: Impairment Allowance	(0.63)			
Carrying amount	86.97	-	-	-
Cash and bank balances				
Bank balances	10,029.97			
	10,029.97	-	-	-
Less: Impairment Allowance	(3.37)			
Carrying amount	10,026.60	-	-	-
Other Financial Assets				
Other Financial Assets	5.60			5.60
	5.60	-	-	5.60
Less: Impairment Allowance	(0.04)			(0.04)
Carrying amount	5.56	-	-	5.56

Particulars	As at March 31, 2019			Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Debentures				
AAA	10,156.32			10,156.32
	10,156.32	**-**	**-**	**10,156.32**
Less: Impairment Allowance	(3.41)			(3.41)
Carrying amount	10,152.91	-	-	10,152.91

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	As at March 31, 2018			Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Trade Receivables				
Current		621.95		621.95
Past due 1–30 days		1,391.24		1,391.24
Past due 31–60 days		1,305.90		1,305.90
Past due 61–90 days		189.11		189.11
Past due 90 days			108.20	108.20
	-	3,508.20	108.20	3,616.40
Less: Impairment Allowance		(120.19)	(14.53)	(134.72)
Carrying amount	-	3,388.01	93.67	3,481.68
Other receivables				
Current	65.31			
	65.31	-	-	-
Less: Impairment Allowance	(0.42)			
Carrying amount	64.89	-	-	-
Cash and bank balances				
Bank balances	9,916.86			
	9,916.86	-	-	-
Less: Impairment Allowance	(2.93)			
Carrying amount	9,913.93	-	-	-
Other Financial Assets				
Other Financial Assets	15.68			15.68
	15.68	-	-	15.68
Less: Impairment Allowance	(0.16)			(0.16)
Carrying amount	15.52	-	-	15.52

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	As at March 31, 2017			Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
Trade Receivables				
Current		107.86		107.86
Past due 1–30 days		347.46		347.46
Past due 31–60 days		165.77		165.77
Past due 61–90 days		9.87		9.87
Past due 90 days			6.22	6.22
	-	630.96	6.22	637.18
Less: Impairment Allowance		(24.14)	(0.83)	(24.97)
Carrying amount	-	606.82	5.39	612.21
Other receivables				
Current	25.49			
	25.49	-	-	-
Less: Impairment Allowance	(0.17)			
Carrying amount	25.32	-	-	-
Cash and bank balances				
Bank balances	7,659.00			
	7,659.00	-	-	-
Less: Impairment Allowance	(2.76)			
Carrying amount	7,656.24	-	-	-
Other Financial Assets				
Other Financial Assets	210.92			210.92
	210.92	-	-	210.92
Less: Impairment Allowance	(0.69)			(0.69)
Carrying amount	210.23	-	-	210.23

b. Amounts arising from ECL

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.

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

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables. The Company has historic credit loss data to compute ECL.

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 borrowers 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 total debt to GDP, Gross fixed investment etc. 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:
The Company considers a financial instrument defaulted when the counterparty fails to make the contractual payments within 90 days of the due date. This definition of default is determined by considering the business environment in which the company operates and other macro-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:

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

ii. Impairment loss allowance
The following table shows reconciliations for trade receivables from the opening to the closing balance of the loss allowances and write offs:

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	Current	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due more than 90 days	Total
Trade receivables						
Balance as at April 1, 2017	**1.68**	**14.42**	**7.54**	**0.50**	**0.83**	**24.97**
Transfer between DPD level	-	(0.07)	-	-	0.07	-
Net remeasurement of loss allowance	-	-	-	-	0.17	0.17
Impact of change in parameters	1.07	5.27	5.70	0.88	-	12.92
New financial assets originated during the year	5.57	41.07	51.68	8.95	14.29	121.56
Financial assets that have been derecognised during the period	(1.68)	(14.35)	(7.54)	(0.50)	(0.83)	(24.90)
Balance as at March 31, 2018	**6.64**	**46.34**	**57.38**	**9.83**	**14.53**	**134.72**
Impact of change in parameters	4.48	5.97	1.10	-	-	11.55
New financial assets originated during the year	22.46	44.05	9.14	-	64.30	139.95
Financial assets that have been derecognised during the period	(6.64)	(46.34)	(57.38)	(9.83)	(14.53)	(134.72)
Write off					(61.89)	(61.89)
Balance as at March 31, 2019	**26.94**	**50.02**	**10.24**	**-**	**2.41**	**89.61**

The following table shows reconciliations for investment in debentures from the opening to the closing balance of the loss allowances and write offs:

Particulars	Amount
Balance as at April 1, 2017	**-**
Net remeasurement of loss allowance	-
Balance as at March 31, 2018	**-**
New financial assets originated during the year	(3.41)
Balance as at March 31, 2019	**(3.41)**

The following table shows reconciliations for other financial asset from the opening to the closing balance of the loss allowances and write offs:

Particulars	Other receivables	Cash and bank balances	Other financial assets
Balance as at April 1, 2017	**(0.17)**	**(2.76)**	**(0.69)**
Net remeasurement of loss allowance	(0.25)	(0.16)	0.53
Balance as at March 31, 2018	**(0.42)**	**(2.93)**	**(0.16)**
Net remeasurement of loss allowance	(0.20)	(0.44)	0.12
Balance as at March 31, 2019	**(0.63)**	**(3.37)**	**(0.04)**

Schedules forming part of Balance Sheet and Profit and Loss Account

iii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

₹ in lakhs

Sr. No.	Particulars	Carrying amount	Total	On demand	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
	As at March 31, 2019								
	Non-derivative financial liabilities								
1	Trade and other Payables	811.04	811.04	-	811.04	-	-	-	-
2	Other Financial Liabilities	783.01	792.18	-	763.42	-	-	28.76	-
	Carrying Amount	**1,594.05**	**1,603.22**	**-**	**1,574.46**	**-**	**-**	**28.76**	**-**

₹ in lakhs

Sr. No.	Particulars	Carrying amount	Total	On demand	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
	As at March 31, 2018								
	Non-derivative financial liabilities								
1	Trade and other Payables	813.20	813.20	-	813.20	-	-	-	-
2	Other Financial Liabilities	1,013.59	1,024.42	-	995.65	-	-	-	28.76
	Carrying Amount	**1,826.79**	**1,837.62**	**-**	**1,808.86**	**-**	**-**	**-**	**28.76**

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Sr. No.	Particulars	Carrying amount	Total	On demand	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
	As at April 1, 2017								
	Non-derivative financial liabilities								
1	Trade and other Payables	251.54	251.54	-	251.54	-	-	-	-
2	Other Financial Liabilities	511.69	524.03	-	495.27	-	-	-	28.76
	Carrying Amount	**763.23**	**775.57**	**-**	**746.81**	**-**	**-**	**-**	**28.76**

iv. Market risk

Market risk is the risk that changes in market prices – such as equity prices, interest rates and foreign exchange rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to the market value of the Company's investments, interest rate risk and foreign exchange rate risk. Thus, the Company's exposure to market risk is a function of market value of investment portfolio and some revenue generating activities in foreign currency. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk on account of its trade receivables in foreign currency. The functional currency of the Company is Indian Rupee

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019, March 31, 2018 and April 1, 2017 are as below:

₹ in lakhs

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Financial assets			
Trade and other receivables	40.92	511.43	504.57
	40.92	**511.43**	**504.57**

Particulars	Year end spot rate		
	March 31, 2019	March 31, 2018	April 1, 2017
USD	-	65.18	64.85
JPY	0.62	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and

Schedules forming part of Balance Sheet and Profit and Loss Account

Effect in INR	Profit or loss	
	Strengthening	Weakening
31-Mar-19		
JPY - 1% Movement	(0.41)	0.41
	(0.41)	**0.41**

Effect in INR	Profit or loss	
	Strengthening	Weakening
31-Mar-18		
USD - 1% Movement	(5.11)	5.11
	(5.11)	**5.11**

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from its investment in debentures and fixed deposits. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed-rate instruments			
Financial assets	20,164.50	9,826.60	7,573.74
Total Net	**20,164.50**	**9,826.60**	**7,573.74**

Interest rate sensitivity analysis for fixed-rate instruments

The company's interest bearing investments are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

NOTE 26. CAPITAL DISCLOSURE

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The Company monitors its capital on a regular basis. The Company is sufficiently capitalised and no changes were made in objectives, policies or processes for managing capital as at 1 April 2017, 31 March 2018 and 31 March 2019.

NOTE 27. TRANSITION TO IND AS

For the purposes of reporting as set out in Note 1, 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, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company 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 equity

As at April 1, 2017

₹ in lakhs

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
Financial assets			
Cash and cash equivalents	85.26	(0.03)	85.23
Bank Balance other than (a) above	7,573.74	(2.72)	7,571.02
Derivative financial instruments			
Receivables			
(I) Trade receivables	637.18	(24.97)	612.21
(II) Other receivables	25.49	(0.17)	25.32
Loans	0.24	(0.00)	0.24
Investments	40,167.95	57,461.40	97,629.35
Other Financial assets	245.82	(35.82)	210.00
Sub total	**48,735.68**	**57,397.69**	**106,133.37**
Non-financial assets			
Current Tax assets (Net)	540.64	-	540.64
Deferred Tax assets (Net)	61.83	(61.83)	-
Investment property	1,461.60	0.00	1,461.60
Property, Plant and Equipment	207.67	0.00	207.67
Other intangible assets	16.62	0.01	16.62
Other non-financial assets	201.61	0.00	201.61
Sub total	**2,489.97**	**(61.82)**	**2,428.14**
Total Assets	**51,225.65**	**57,335.87**	**108,561.51**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivatives financial instruments			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	251.54	0.00	251.54
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
Other Financial liabilities	524.04	(12.34)	511.69
Sub total	**775.58**	**(12.34)**	**763.23**

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
Non-Financial liabilities			
Current tax liabilities (Net)	97.07	-	97.07
Provisions	716.68	(2.95)	713.73
Deferred tax liabilities (Net)	-	11,557.19	11,557.19
Other non-financial liabilities	313.31	10.70	324.01
Sub total	**1,127.06**	**11,564.94**	**12,692.00**
EQUITY			
Equity Share Capital	343.61	-	343.61
Other equity	48,979.40	45,783.27	94,762.67
Sub total	49,323.01	45,783.27	95,106.28
Total Equity and Liabilities	**51,225.65**	**57,335.87**	**108,561.51**

As at March 31, 2018

₹ in lakhs

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS			
Financial assets			
Cash and cash equivalents	90.26	(0.03)	90.23
Bank Balance other than (a) above	9,826.60	(2.90)	9,823.70
Receivables	-		-
(I) Trade receivables	3,614.61	(132.93)	3,481.68
(II) Other receivables	65.31	(0.43)	64.89
Loans	0.94	(0.01)	0.93
Investments	43,978.00	133,634.97	177,612.97
Other Financial assets	52.40	(37.80)	14.59
Sub total	**57,628.12**	**133,460.87**	**191,088.99**
Non-financial assets			
Current Tax assets (Net)	648.35	-	648.35
Deferred Tax assets (Net)	247.35	(65.34)	182.01
Investment property	1,431.11	-	1,431.11
Property, Plant and Equipment	113.22	-	113.22
Other intangible assets	6.84	-	6.84
Other non-financial assets	394.57	0.00	394.57
Sub total	**2,841.44**	**(65.34)**	**2,776.10**
Total Assets	**60,469.56**	**133,395.53**	**193,865.09**

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivatives financial instruments			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	813.20	-	813.20
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
Other Financial liabilities	1,024.42	(10.83)	1,013.59
Sub total	**1,837.62**	**(10.83)**	**1,826.79**
Non-Financial liabilities			
Current tax liabilities (Net)	748.95	-	748.95
Provisions	1,127.99	1.56	1,129.55
Deferred tax liabilities (Net)	-	29,027.45	29,027.45
Other non-financial liabilities	903.00	9.01	912.01
Sub total	**2,779.94**	**29,038.02**	**31,817.96**
EQUITY			
Equity Share Capital	343.61	-	343.61
Other equity	55,508.37	104,368.36	159,876.73
Sub total	55,851.98	104,368.36	160,220.34
Total Equity and Liabilities	**60,469.54**	**133,395.55**	**193,865.09**

B. Reconciliation of profit or loss for the year ended March 31, 2018

₹ in lakhs

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
REVENUE FROM OPERATIONS			
Sale of services	16,524.26	-	16,524.26
Total revenue from operations	**16,524.26**	**-**	**16,524.26**
Other income	**1,577.80**	**299.39**	**1,877.19**
Total income	**18,102.06**	**299.39**	**18,401.45**
EXPENSES			
Finance costs	3.07	1.52	4.59
Impairment on financial instruments	-	109.64	109.64
Employee Benefits expenses	5,099.02	210.12	5,309.14
Depreciation, amortization and impairment	141.27	-	141.27

₹ in lakhs

Particulars	Amount as per IGAAP (Reclassified)	Effects of transition to Ind AS	Amount as per Ind AS
Other expenses	2,704.91	(75.82)	2,629.09
Total expenses	**7,948.27**	**245.46**	**8,193.73**
Profit / (loss) before exceptional items and tax	**10,153.79**	**53.93**	**10,207.72**
Exceptional items	**-**	**-**	**-**
Profit/(loss) before tax	**10,153.79**	**53.93**	**10,207.72**
Tax expense			
(1) Current tax	3,810.34	-	3,810.34
(2) Current tax pertaining to prior periods	-	-	-
(3) Deferred tax charge/(credit)	(185.52)	97.18	(88.34)
Total tax expense	**3,624.82**	**97.18**	**3,722.00**
Profit/(loss) for the period	**6,528.97**	**(43.25)**	**6,485.72**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		(57.01)	(57.01)
- Equity Instruments through Other Comprehensive Income		75,799.31	75,799.31
Sub-total	**-**	**75,742.30**	**75,742.30**
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	17,376.60	17,376.60
Other comprehensive income	**-**	**58,365.70**	**58,365.70**
Total Comprehensive Income for the period	**6,528.97**	**58,322.45**	**64,851.42**

C. Cash flow statement

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

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

₹ in lakhs

Particulars	Footnote ref.	As at April 01, 2017	As at March 31, 2018
Equity under previous GAAP		**49,323.01**	**55,851.98**
Summary of Ind AS adjustments			
Fair valuation of investments	1	57,461.40	133,634.97
Impairment loss on financial instruments	2	(28.58)	(136.44)
Reversal of Lease Equalisation Reserve	3	(35.13)	(37.65)
Accounting for share based payments	4	2.95	(1.56)
Valuation of security deposit	5	1.64	1.82
Tax on above adjustments	6	(11,619.00)	(29,092.78)
Total Ind AS adjustments		**45,783.28**	**104,368.36**
Equity under Ind AS		**95,106.29**	**160,220.34**

Schedules forming part of Balance Sheet and Profit and Loss Account

Reconciliation of Net Profit

₹ in lakhs

Particulars	Footnote ref.	For the year ended 31 March 2018
Net Profit After Tax for year ended 31 March , 2018		6,528.97
Fair valuation of investments	1	374.26
Impairment loss on financial instruments	2	(107.85)
Reversal of Lease Equalisation Reserve	3	(2.52)
Accounting for share based payments	4	(267.13)
Valuation of security deposit	5	0.16
Remeasurement of defined benefit plans	7	57.01
Ind AS Re-measurement imapcts (A)		53.93
Tax on above adjustments	6	(97.18)
Net impact of Ind AS adjustments (A+B)		**(43.25)**
Profit/(loss) for the period as per Ind AS		**6,485.72**
Adjustments in OCI		
Remeasurement of defined benefit plans - OCI	7	(57.01)
Equity Instruments through Other Comprehensive Income	1	75,799.31
Deferred Tax on OCI adjustments	6	(17,376.60)
Total Comprehensive Income as per Ind AS		64,851.42

Notes to the reconciliation

1. **Fair valuation of investments**
Under previous GAAP, investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL and the changes in fair value are recognised in statement of profit and loss. Also, a company has made an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income"

2. **Impairement loss on financial instruments**
Under Indian GAAP, Provision/write off on receivables is done based on the ageing of the receivables and evaluation done by the Management. Under Ind AS, the Company has recognised impairment loss on loans based on the expected credit loss model as required by Ind AS 109.

3. **Reversal of Lease Equalisation Reserve**
Under Previous GAAP, the operating lease rentals are recognized as an expense on a straight line basis over the lease period. Under Ind AS, where the escalation rate is in line with the general inflation rate, straight lining of lease rentals is not required.

4 **Accounting for share based payments:**
ESOP: The parent company has granted equity settled options to the employees of the subsidiary. The Company has accounted for these share based payment arrangement with reference to their intrinsic values under Previous GAAP. Under Ind AS, Company has opted to account for the unvested options as on the date of transition. Accordingly, the Grant date fair value of equity-settled options have been recognised as an expense over the vesting period in the statement of profit or loss with a corresponding increase being made to the capital contribution to the Company by the Parent . No amount is recognised as contribution by/(distribution to) owners in respect of the share based payments-equity settled as there were no reimbursements made by the Company to the Parent. SARS: Under previous GAAP, the Company used to account for SARs liability with reference to its intrinsic value. Under Ind AS, the SARS liability shall be recorded with reference to its fair value.

Schedules forming part of Balance Sheet and Profit and Loss Account

5. **Valuation of security deposits:**
   As per Ind AS 109, all financial assets and liabilities are required to be measured at their respective fair value. The interest free refundable security deposit is financial liability and are thus required to be measured at present value using an appropriate discount rate. The difference between the fair value and the transaction price has been recognised as rent received in advance and is amortised over the period of the lease on straightline basis. Subsequently, these security deposits have been measured at amortised cost using the effective interest rate ('EIR') and the resultant interest is accounted as finance expense.

6. **Tax on above adjustments**
   IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

7. **Remeasurements of defined benefit plans:**
   Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to profit or loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

NOTE 28. TAX EXPENSE

(a) Amounts recognised in profit and loss

₹ in lakhs

Particulars	For the year ended 31-Mar-2019	For the year ended 31-Mar-2018
Current tax expense		
Current period	3,141.00	3,810.34
Changes in estimated related to prior years	(44.80)	-
Total current tax expense (A)	**3,096.20**	**3,810.34**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(308.28)	(134.14)
Reduction in tax rate	(3.49)	45.80
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax expense (B)	**(311.77)**	**(88.34)**
Tax expense for the year (A)+(B)	**2,784.43**	**3,722.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

(b) Amounts recognised in other comprehensive income

₹ in lakhs

Particulars	For the year ended 31-Mar-19			For the year ended 31-Mar-18		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	(11.75)	4.11	(7.64)	(57.01)	19.92	(37.09)
(b) Equity instruments through other comprehensive income	33,419.62	(7,972.55)	25,447.08	75,799.31	(17,396.52)	58,402.79
Total	**33,407.87**	**(7,968.44)**	**25,439.44**	**75,742.30**	**(17,376.60)**	**58,365.70**

(c) Reconciliation of effective tax rate

₹ in lakhs

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Profit before tax	**7,476.52**	**10,207.72**
Tax using the Company's domestic tax rate (Current year 34.944% Previous Year 34.608 %)	2,612.60	3,532.69
Tax effect of:		
Tax impact of income not subject to tax	(359.00)	(72.71)
Tax effects of amounts which are not deductible from taxable income	428.08	214.13
Recognisition of previously unrecognised temporary differences	-	15.22
Effect of different tax rate	145.67	(14.76)
Changes in estimated related to prior years	(44.80)	46.62
Others	1.88	0.81
Total income tax expenses	**2,784.43**	**3,722.00**

(d) **Movement in deferred tax balances**

Particulars	31-Mar-19								
	Net balance 31-Mar-18	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset									
Property, plant and equipment	(167.44)	(52.19)					(219.63)		(219.63)
Security deposits	(0.63)	(0.01)					(0.64)		(0.64)
Employee benefits	327.28	229.75	4.10				561.13	561.13	
Provisions	(77.86)	0.94					(76.92)		(76.92)
Other items	100.66	(65.15)					35.52	35.52	
Sub-Total	**182.01**	**113.34**	**4.10**	**-**	**-**	**-**	**299.46**	**596.65**	**(297.19)**
Deferred tax liabilities									
Fair valuation of investments	(29,027.45)	198.42	(7,972.54)				(36,801.56)		(36,801.56)
Sub-Total	**(29,027.45)**	**198.42**	**(7,972.54)**	**-**	**-**	**-**	**(36,801.56)**	**-**	**(36,801.56)**
Total	**(28,845.44)**	**311.76**	**(7,968.44)**	**-**	**-**	**-**	**(36,502.10)**	**596.65**	**(37,098.75)**

Particulars	31-Mar-18								
	Net balance 1-Apr-17	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset									
Property, plant and equipment	(197.51)	30.07					(167.44)		(167.44)
Security deposits	(0.57)	(0.06)					(0.63)		(0.63)
Employee benefits	210.41	96.95	19.92				327.28	327.28	
Provisions	(113.79)	35.93					(77.86)		(77.86)
Other items	61.08	39.59					100.66	100.66	
Sub-Total	**(40.38)**	**202.48**	**19.92**	**-**	**-**	**-**	**182.01**	**427.94**	**(245.93)**
Deferred tax liabilities									
Fair valuation of investments	(11,516.81)	(114.12)	(17,396.52)				(29,027.45)		(29,027.45)
Sub-Total	**(11,516.81)**	**(114.12)**	**(17,396.52)**	**-**	**-**	**-**	**(29,027.45)**	**-**	**(29,027.45)**
Total	**(11,557.19)**	**88.36**	**(17,376.60)**	**-**	**-**	**-**	**(28,845.44)**	**427.94**	**(29,273.38)**

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.

Schedules forming part of Balance Sheet and Profit and Loss Account

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.

(e) Tax losses carried forward

Particulars	31 March 2019	Expiry date	31 March 2018	Expiry date	1 April 2017	Expiry date
Expire	2,509.57	2021-27	3,045.44	2020-26	2,910.58	2020-25
Never expire						
	2,509.57		**3,045.44**		**2,910.58**	

NOTE 29. REVENUE FROM CONTRACTS WITH CUSTOMERS

a) The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from contracts with customers	14,086.24	16,524.26
Total Income	**14,086.24**	**16,524.26**
Impairment loss on receivables	16.78	109.75

b) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major services and timing of revenue recognition:

Particulars	Advisory and Transactional Services	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Advisory Fees	7,629.94	7,817.97
Issue Management and Placement	6,456.30	8,706.29
Total	**14,086.24**	**16,524.26**
Timing of revenue recognition		
At a point in time	14,086.24	16,524.26
Over a period of time	-	-
Total	**14,086.24**	**16,524.26**

c) Contract Balances

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

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables	4,328.34	3,481.68	612.21

d) Transaction price allocated to the remaining performance obligations

The Company has elected to apply the practical expedient under Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

NOTE 30. SEGMENT INFORMATION

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' results, inter-company revenues and expenses, are regularly reviewed by the Board of Directors, which have been identified as the Chief Operating Decision Maker ('CODM') of the Company, for which discrete financial information is available. The Board of Directors, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources. The Company has two reportable segments, as described below:

Advisory and Transactional Services

Trading and Principal Investments

Schedules forming part of Balance Sheet and Profit and Loss Account

A. Information about reportable segments

For the year ended March 31, 2019

₹ in lakhs

Particulars	Reportable segments		
	Advisory and Transactional Services	Trading and Principal Investments	Total Segments
Revenue from external customers	14,162.13		14,162.13
Other income		2,088.15	2,088.15
Total	**14,162.13**	**2,088.15**	**16,250.28**
Segment result	**5,149.97**	**2,109.44**	**7,259.41**
Unallocable income			267.56
Unallocable expenses			50.45
Tax expenses			2,784.43
Segment profit / (loss)			**4,692.09**
Segment assets	**5,035.85**	**220,358.46**	**225,394.31**
Unallocated assets			**2,048.96**
Total Assets			**227,443.27**
Segment liabilities	**4,063.40**	**-**	**4,063.40**
Unallocated liabilities			**37,159.41**
Total Liabilities			**41,222.81**
Other disclosures			
Depreciation and amortisation	124.01		124.01
Unallocated depreciation and amortisation			30.49
Capital expenditure	326.70		326.70

For the year ended March 31, 2018

₹ in lakhs

Particulars	Reportable segments		
	Advisory and Transactional Services	Trading and Principal Investments	Total Segments
Revenue from external customers	16,537.72		16,537.72
Other income		1,560.00	1,560.00
Total	**16,537.72**	**1,560.00**	**18,097.72**
Segment result	**8,458.22**	**1,491.48**	**9,949.70**
Unallocable income			303.73
Unallocable expenses			45.71
Tax expenses			3,722.00
Segment profit / (loss)			**6,485.72**

₹ in lakhs

Particulars	Reportable segments		
	Advisory and Transactional Services	Trading and Principal Investments	Total Segments
Segment assets	**4,078.31**	**187,707.32**	**191,785.63**
Unallocated assets			**2,079.46**
Total Assets			**193,865.09**
Segment liabilities	**3,868.35**	**-**	**3,868.35**
Unallocated liabilities			**29,776.40**
Total Liabilities			**33,644.75**
Other disclosures			
Depreciation and amortisation	110.78		110.78
Unallocated depreciation and amortisation			30.49
Capital expenditure	32.97		32.97

B. Reconciliations of information on reportable segments to Ind AS

Particulars		Note	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	**Revenue**			
	Total revenue for reportable segments		16,250.28	18,097.72
	Unallocable		267.56	303.73
	Elimination of inter-segment revenue		-	-
Total revenue			**16,517.84**	**18,401.45**
(b)	**Profit / loss before tax**			
	Total profit before tax for reportable segments		4,692.09	6,485.72
	Profit before tax for other segments			
	Elimination of inter-segment profit		-	-
	Unallocated amounts:			
	– Other corporate expenses			
Total profit before tax from operations			**4,692.09**	**6,485.72**
(c)	Assets			
	Total assets for reportable segments		225,394.31	191,785.63
	Assets for other segments			
	Other unallocated amounts		2,048.96	2,079.46
Total assets			**227,443.27**	**193,865.09**
(d)	Liabilities			
	Total liabilities for reportable segments		4,063.40	3,868.35
	Liabilities for other segments			
	Other unallocated amounts		37,159.41	29,776.40
Total liabilities			**41,222.81**	**33,644.75**

Schedules forming part of Balance Sheet and Profit and Loss Account

C. Geographic information

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Geography	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue		
In India	13,780.71	15,485.05
Outside India	381.42	1,052.67
Total Revenue	**14,162.13**	**16,537.72**

D. Information about major customers

Revenues from one customer of the Advisory and Transactional Services segment represented approximately ₹2050.83 lakhs (previous year - INR 1669.00 lakhs) of the Company's total revenues.

NOTE 31. RELATED PARTY DISCLOSURES

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures' are given below:

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
a)	**Holding company:**		
	Kotak Mahindra Bank Limited	India	100.00%
	Uday S. Kotak (Managing Director and CEO) along with his relatives and enterprises in which he has beneficial interest holds 29.99% of the equity share capital and 19.68% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31st March, 2019.		
b)	**Fellow subsidiaries with whom transactions have taken place during the year:**		
	Kotak Mahindra Life Insurance Company Limited		
	Kotak Mahindra Prime Limited		
	Kotak Mahindra Investments Limited		
	Kotak Mahindra General Insurance Company Limited		
	Kotak Mahindra (UK) Limited		
c)	**Associates**		
	Kotak Investment Advisors Limited	India	41.27% *
	Kotak Mahindra (International) Limited	Mauritius	49.00%
	Kotak Mahindra Inc.	USA	49.00%
	Kotak Securities Limited	India	25.00%
	Kotak Infrastructure Debt Fund Limited	India	20.00%
	Infina Finance Private Limited	India	49.00%
	*(49% till 29 June 2017)		
d)	**Key Management Personnel/Directors**		
	Mr. Uday Kotak-Chairman		
	Mr. K V S Manian-Director		
	Mr. Dipak Gupta-Director		
	Mr. T.V.Raghunath-Director		
	Mr. Jaimin Bhatt-Director		
	Mr. Srinivasan Ramesh- Managing Director & CEO		
	Mr. Sourav Mallik - Joint Managing Director		

Schedules forming part of Balance Sheet and Profit and Loss Account

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
e)	**Key Management Personnel of holding company**		
	Mr. Uday Kotak - Managing Director & CEO		
	Mr. Dipak Gupta-Joint Managing Director		
f)	**Relative of Key Management Personnel of holding company**		
	Mr. Jay Kotak- (Son of Mr.Uday Kotak)		

B. Transactions with key management personnel

i. Key management personnel compensation

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
i.	Short-term employee benefits*	384.78	433.87
ii.	Shared-based payments	309.37	239.61

**Excludes provision for gratuity and leave encashment, since these are based on actuarial valuations done on an overall Company basis.*

ii. Transactions with related parties

The information about the Company's structure including the details of the subsidiaries and the holding company is provided above. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
I. Holding Company			
-Kotak Mahindra Bank Limited			
Transactions during the year :			
Interest received on Fixed Deposit	952.11	530.91	
Fixed Deposit Placed	37,021.88	9,910.00	
Fixed Deposit encashed/ Matured	36,811.22	7,660.00	
Sale of Fixed assets	-	3.67	
Expenses reimbursement to Kotak Mahindra Bank Limited	1,687.12	1,708.18	
Expenses reimbursement by Kotak Mahindra Bank Limited	215.43	249.54	
Interim Dividend- Paid	4,123.38	-	
Brokerage /fee/commission sharing of revenue- Receivable	-	1,350.00	
Employee stock option plan	839.54	262.63	
Balance Outstanding as of end of year			
Bank Balance	21.78	90.23	85.23
Fixed Deposit Balance including accrued interest	10,004.82	9,823.70	7,571.02
Payables	3.31	22.36	50.11
Other receivables	29.11	-	-
Capital contribution from Parent	1,266.80	427.26	164.63

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
II- Fellow Subsidiaries: (including entities that are also associates)			
-Kotak Investment Advisors Limited			
Expenses reimbursement by Kotak Investment Advisors Limited	47.56	41.11	
Other receivables	4.42	3.91	0.67
-Kotak Mahindra (UK) Limited			
Guarantees Outstanding	1,020.75	996.45	928.25
-Kotak Mahindra Inc.			
Expenses reimbursement to Kotak Mahindra Inc	0.52	4.39	
Balance Outstanding as of end of year			
Payable		2.35	
-Kotak Securities Limited			
Expenses reimbursement to Kotak Securities Ltd.	185.88	161.49	
Expenses reimbursement by Kotak Securities Ltd.	334.10	329.45	
Brokerage /fee/commission sharing of revenue- Payable	2,423.08	4,313.87	
Brokerage /fee/commission sharing of revenue- Receivable	2,057.34	1,325.68	
Balance Outstanding as of end of year			
Payable	381.27	540.36	54.70
Other receivables	53.44	60.97	24.66
-Kotak Mahindra Investments Limited			
Expenses reimbursement to Kotak Mahindra Investments Limited	-	4.26	
Expenses reimbursement by Kotak Mahindra Investments Limited	0.72		
Brokerage /fee/commission sharing of revenue- Payable	268.26	122.10	
Balance Outstanding as of end of year			
Payable	165.93		
Other receivables	0.72		
-Kotak Mahindra General Insurance Limited			
Expenses reimbursement to Kotak Mahindra General Insurance Ltd.	10.47	3.67	
Expenses reimbursement by Kotak Mahindra General Insurance Ltd.	1.11	1.08	
-Kotak Mahindra Prime Limited			
Interest received on Debentures	262.55		
Debentures	9,893.77		
Balance Outstanding as of end of year			
Debenture Balance including accrued interest	10,152.91		
-Kotak Mahindra Life Insurance Limited			

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	31-Mar-19	31-Mar-18	1-Apr-17
Expenses reimbursement to Kotak Mahindra Life Insurance Ltd.	3.84	3.11	
-Key Management Personnel (KMP)*			
Srinivasan Ramesh	350.22	342.53	
Sourav Mallik	343.93	330.95	
-Relative of Key Management Personnel of holding company*			
Jay Kotak	23.54	9.93	

** Excludes provision for gratuity and leave encashment, since these are based on actuarial valuations done on an overall Company basis.*

iii. Terms and conditions of transactions with related parties

All transactions with these related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

NOTE 32. CONTINGENT LIABILITIES AND COMMITMENTS

₹ in lakhs

Sr No	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 1-Apr-17
	Contingent Liabilities:			
a)	Claims against the company not acknowledged as debt			
	Service Tax Demand (Unsecured) (Amount unpaid)			
	Income Tax Demand (Unsecured) (Amount paid)	68.11	68.11	10.30
b)	Guarantees issued by KMCC's bankers for Kotak International Entities (Unsecured)			
	Issued to -			
	The Hong Kong and Shanghai Banking Corporation Limited - Singapore	1,020.75	996.45	928.25
c)	Other money for which the company is contingently liable			
	Total	**1,088.86**	**1,064.56**	**938.55**
	Commitments:			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for;			
b)	Uncalled liability on shares and other investments partly paid			
	Capital Commitments not provided			
	Commitments to Venture Capital Fund (Unsecured)			
	India Growth Fund	16.71	16.71	16.71
c)	Other commitments (specify nature)			
	Underwriting Commitments	-	800.00	-
	Total	**16.71**	**816.71**	**16.71**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 33. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of the Section 135 of the Companies Act, 2013 the Company is required to contribute for Corporate Social Responsibility Activities. The Company has contributed ₹ 25 lacs to the Kotak Education Foundation and ₹ 10 lacs to the Vision Foundation of India in the current financial year. The Company's CSR program is associated with the CSR initiatives of Kotak Mahindra Bank Limited (KMBL), its holding Company. KMBL is building its CSR capabilities on a sustainable basis and the Company is committed to gradually increase its CSR spend in the coming years.

A. Details of CSR expenditure

(a) Gross amount required to be spent during the year ₹ 110.44 lacs (Previous year ₹ 56.46 lacs)

₹ in lakhs

	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year ending on 31st March, 2019:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	35.00	-	35.00
(c) Amount spent during the year ending on 31st March, 2018:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	5.00	-	5.00

NOTE 34. MICRO SMALL AND MEDIUM ENTERPRISES

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act 2006.In the absence of confirmations from the suppliers, disclosures, if any, relating to unpaid amounts as at the year end together with interest paid/ payable as required under the said Act have not been given.

NOTE 35. MATURITY ANALYSIS

₹ in lakhs

Particulars	As at March 31st, 2019			As at March 31st, 2018			As at April 01st, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	21.78		21.78	90.23		90.23	85.23		85.23
Bank Balance other than cash and cash equivalents	7,489.82	2,515.00	10,004.82	9,823.70		9,823.70	7,571.02		7,571.02
Receivables									
(I) Trade receivables	4,328.35		4,328.35	3,481.68		3,481.68	612.21		612.21
(II) Other receivables	86.97		86.97	64.89		64.89	25.32		25.32
Loans	4.89		4.89	0.93		0.93	0.24		0.24
Investments	97.06	209,933.70	210,030.77	19,215.81	158,397.16	177,612.97	11,428.80	86,200.55	97,629.35
Other Financial assets	0.67		0.67	14.59		14.59	9.67	200.33	210.00
Sub total	**12,029.54**	**212,448.70**	**224,478.25**	**32,691.83**	**158,397.16**	**191,088.99**	**19,732.49**	**86,400.88**	**106,133.37**
Non-financial assets									
Inventories			-			-			-
Current Tax assets (Net)		648.35	648.35		648.35	648.35		540.64	540.64
Deferred Tax assets (Net)		299.46	299.46		182.01	182.01		-	-
Investment property		1,400.62	1,400.62		1,431.11	1,431.11		1,461.60	1,461.60
Biological assets other than bearer plants			-			-			-
Property, Plant and Equipment		321.96	321.96		113.22	113.22		207.67	207.67
Capital work-in-progress			-			-			-
Intangible assets under development			-			-			-
Goodwill			-			-			-
Other intangible assets		2.48	2.48		6.84	6.84		16.62	16.62
Other Non-financial assets	254.90	37.26	292.15	381.31	13.26	394.57	21.32	180.29	201.61
Sub total	**254.90**	**2,710.13**	**2,965.02**	**381.31**	**2,394.79**	**2,776.10**	**21.32**	**2,406.82**	**2,428.14**
Total Assets	**12,284.44**	**215,158.83**	**227,443.27**	**33,073.14**	**160,791.95**	**193,865.09**	**19,753.81**	**88,807.70**	**108,561.51**

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ in lakhs

Particulars	As at March 31st, 2019			As at March 31st, 2018			As at April 01st, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES AND EQUITY									
LIABILITIES									
Financial liabilities									
Derivatives financial instruments			-			-			-
Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises			-			-			-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	811.04		811.04	813.20		813.20	251.54		251.54
Other Financial liabilities	763.42	19.59	783.01	995.65	17.94	1,013.59	494.60	17.09	511.69
Sub total	**1,574.46**	**19.59**	**1,594.05**	**1,808.85**	**17.94**	**1,826.79**	**746.14**	**17.09**	**763.23**
Non-Financial liabilities									
Current tax liabilities (Net)		357.84	357.84		748.95	748.95		97.07	97.07
Provisions	579.75	953.99	1,533.74	396.78	732.77	1,129.55	190.34	523.39	713.73
Deferred tax liabilities (Net)		36,801.56	36,801.56		29,027.45	29,027.45		11,557.19	11,557.19
Other non-financial liabilities	935.61		935.61	912.01		912.01	324.01		324.01
Sub total	**1,515.36**	**38,113.39**	**39,628.75**	**1,308.79**	**30,509.17**	**31,817.96**	**514.35**	**12,177.65**	**12,692.00**
Total Liabilities	**3,089.82**	**38,132.98**	**41,222.80**	**3,117.64**	**30,527.11**	**33,644.75**	**1,260.49**	**12,194.74**	**13,455.23**

NOTE 36. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

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