Annual Report 2018-19

kotak

Courage
of Conviction.
Constancy
of Change.

Directors' Report

To the Members of

KOTAK MAHINDRA INVESTMENTS LIMITED

The Directors present their Thirty First Annual Report together with the audited accounts of the Company for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

	Year ended 31st March 2019 ₹ in Lakh	Year ended 31st March 2018 ₹ in Lakh
Gross income	96,158.24	90,856.84
Profit before tax	30,839.58	36,715.30
Provision for tax	10,781.57	12,206.77
Profit after tax	20,058.01	24,508.53
Total Comprehensive Income	19,555.30	24,232.20
Balance of Profit from previous years	81,913.29	62,581.09
Amount available for appropriation	101,468.59	86,813.29
Appropriations :		
Special Reserve u/s 45IC of the RBI Act, 1934	4,139.89	4,900.00
Net Profit after tax carried to Balance Sheet	97,328.70	81,913.29

DIVIDEND

With a view to conserve the Company's resources, the Directors do not recommend any Dividend (Previous Year: Nil).

DEBENTURES

Pursuant to various circulars issued by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) from time to time, the Company continues to issue secured non-convertible debentures on private placement basis and list all non-convertible debentures issued, on BSE Limited under Information Memorandums issued by the Company from time to time. The Company has appointed IDBI Trusteeship Services Limited as Debenture Trustees to the issues. The contact details of the Debenture Trustees are:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001

Contact No.: 022 – 40807050; 022 - 40807021

Email: jimit@idbitrustee.com

Website: www.idbitrustee.com

CAPITAL ADEQUACY

The Capital to Risk Assets Ratio (CRAR) of the Company as on 31st March, 2019 was at 18.25% (Tier I – 15.78%).

CREDIT RATING

The Company's short-term borrowing program from CRISIL Limited and ICRA Limited is rated "A1+". Further, the long-term secured borrowing program is rated "AAA/Stable" by CRISIL Limited.

The Company's Market Linked Debentures program is rated 'CRISIL PP-MLD AAAr/Stable' by CRISIL Limited.

Also, the Company's Tier II borrowing program is rated "AAA/Stable" by CRISIL Limited & ICRA Limited.

A1+ indicates highest-credit-quality rating and AAA indicates high-credit-quality rating with stable outlook assigned by ICRA and CRISIL. Instruments with these ratings are considered to have high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk.

FINANCE

During the year, the Company witnessed moderate growth in Balance Sheet and the funding requirement was met through various instruments like Non-Convertible Debentures (NCDs), Commercial papers (CPs), Inter-corporate deposits (ICDs), etc. The Company has been continuously diversifying its funding sources and has a pool of lenders comprising of Mutual Funds, Insurance Companies, Banks and Corporates. As on 31st March, 2019, the Company has adequate capital, healthy debt to equity ratio and positive liquidity gap in short term. The Company with its strong treasury philosophies, practices and diversified borrowing profile easily sailed through liquidity crisis faced by other NBFCs during the year and is well geared to meet any such challenges in future.

MANAGEMENT DISCUSSION AND ANALYSIS

Company Business

The Company is primarily into lending business comprising of lending against securities, lending to real estate sector and corporates, structured financing apart from holding certain strategic Investments.

During the financial year, customer financial assets grew by about 18% to ₹ 9,376 crore as of March 2019 vis-à-vis ₹ 7,953 crore as of March 2018. Profit after tax for the year is ₹ 200.6 crore vis-a-vis ₹ 245.1 crore for previous year and Total Comprehensive Income for the year is ₹ 195.6 crore vis-à-vis ₹242.3 crore for previous year. Gross Stage 3 and Stage 2 ratio to overall customer financial assets were at 0.44% (0.13% in FY18) and 9.54% (9.60% in FY18) respectively, as of March 2019.

The Company is primarily engaged in finance against securities, corporate loans, developer finance and other activities such as holding long-term strategic investments. Real Estate & Structured Finance team offers one of the most trusted and dedicated platform in the country with expertise across all key asset classes. From structuring complex transactions to broadening the access to capital, our comprehensive financing and expert execution have made us a leading choice for Corporates, Real Estate Developers, Sponsors, PE & RE Funds and other structured finance players and investors for over a decade. It is well positioned to harness all opportunities that may be offered in the current economic environment.

It always endeavours to adopt the best practices and ensures highest standards of Corporate Governance through fair, ethical and transparent governance practices.

Industry Developments & Outlook

The major lending activities of the Company are focused on Capital Markets, Real Estate Sector and Corporates including structured financing.

Capital Markets

FY2019 marked a clear shift in the momentum witnessed by capital markets, which was virtually uninterrupted since 2013-2014. In the first half of FY2019, while the headline indices and blue chip stocks were holding up, a large part of the market, particularly mid-cap & small cap sector had started showing weakness. Things changed dramatically for the worse post default by IL&FS and the resultant impact on overall liquidity in the market, particularly for NBFCs. In line with our long term objectives of building a strong balance sheet with returns commensurate to risks being underwritten, your Company chose caution over growth during the ensuing period. We believe market has clearly started to distinguish between the stronger and weaker NBFCs, with liquidity being available in required quantities only to the former. Your Company is in extremely strong position in such an environment and believes the chaos will create many opportunities for stronger players like us.

Real Estate

The industry saw some interesting times with the year recording one of the best ever showing for the office sector, supported by robust space take-up by IT-BPM sector, and the co-working revolution consolidating its gains.

The government of India’s vision of ”Housing for all by 2020” was seen driving the residential development activity leading to an improved showing in some micro-markets. However, the NBFC liquidity crisis precipitated by IL&FS default, and recent inquiries and judgements of Honourable Courts in certain cases have been big dampeners to the hopes of the industry.

Stress has been evident in certain quarters, but the established developers who showed commitment to customers and transparency have been resilient and even thrived. Your Company saw some gains coming this year given the focus on building relationships with such players over the last few quarters. We expect traction on this front to sustain and grow further.

In the medium term, the industry is likely to witness growth that is complemented by initiatives like smart homes, smart cities and the affordable housing initiative powered by the Government. This growth will be predominantly lead by end users and may see return of investments after the elections. The office, data centre growth and industrial absorption followed by new formats like Co-living and Co-working will create new opportunities. Your Company had anticipated the uptick in the commercial realty and consciously grew the portfolio in this segment over the last 8-10 quarters. During the last two years, we grew the exposure to commercial Realty around 7-fold on a small base of around 150 crore. We would continue to build on this further in FY20 as well.

The coming year will be both challenging and opportunistic and the ones likely to succeed are those who embrace the changing market dynamics. Apart from elections, credit growth and improvements in infrastructure will set the tone for economic growth in the future. The regulatory environment will also continue to see required changes and GST & RERA would also go through much needed changes to address the concerns of all the stake holders. A stable government at the centre in 2019 should also help stability and growth in the sector.

Having read the early signs well, we stayed focussed on ensuring a strong portfolio evading troubles in the last couple of years. Given the prevalent turbulence and aggression displayed by competition, your Company kept quality at the forefront and saw marginal de-growth of around 10% in Residential Real-Estate exposure over these two years. Growth in exposure to commercial realty during the same period resulted in overall portfolio growing around 30%. While being watchful, your Company has been steadfast in sharpening capabilities to ensure we benefit from the growth in the sector and cement our position as a leading provider of judicious capital to the sector.

Structured Finance

The groundwork done by your Company over the past 4-5 years has created an extremely strong brand recall and status as a preferred partner, in the structured finance business. Growth in NBFC industry over the recent past with easy access to both equity and debt capital had created an environment of stiff competition with pressure on NIMs, especially in alignment of our long term strategy of maintaining asset quality. Market conditions took an abrupt turn post IL&FS crisis, with access to capital significantly curtailed to most of the market participants. Your Company, with its robust capitalisation, liquidity and pristine asset quality, was a strong anchor to which clients were naturally gravitating. Your Company was able to support many clients during this chaotic period which will be a significant advantage to our franchise over the medium term. As we enter FY20, many of the flashpoints of FY19 are yet to be resolved. Your Company is extremely well poised to fully take advantage of the market conditions and is in a unique position to serve all the client requirements.

Opportunities & Threats

Your Company will have ample opportunities in the current year for to grow both in market share as well as book size in the lending business due to a number of other NBFCs slowing down because of a combination of credit and liquidity issues.

Increasing economic activity with reducing competition will offer more opportunity for financing in the structured space, real estate financing and selective sponsor financing, etc.

Key challenges going forward are (i) increasing credit risk; (ii) liquidity challenges for NBFCs driven by higher risk perception of their portfolio; (iii) likely regulatory changes by RBI for the NBFCs and SEBI on Mutual Fund’s exposure to NBFCs; (iv) Global macroeconomic challenges bringing uncertainties to Indian economy.

Fundamentally our country has been showing good resilience against uncertainties and volatilities. Domestic macro-economic factors seem to be favourable. Key to sustainable growth of your Company would be right credit decisions with focus on risk adjusted returns for which it is well positioned.

Internal Controls

The Internal Audit department of the holding company Kotak Mahindra Bank Limited, regularly conducts a review to assess the financial and operating controls. Reports of the audits conducted by the Internal Audit department are presented to the Audit Committee.

Human Resources

The Company is professionally managed & it follows open, transparent & meritocratic policy to nurture the human resources. Human resources function is managed by the Group Human Resources team of its holding company, Kotak Mahindra Bank Limited. It encourages and facilitates long term careers with the Company and engaged workforce is a high priority for us, as we recognise people as our most valuable asset.

Information Technology

The Company uses the technology platforms owned and managed by its holding company, Kotak Mahindra Bank Limited. The loan management system CORE and Security Management application NLADs has capacity to scale based on business requirements. The modular nature of the system supports efficiency in operations coupled with strong systems and operational controls.

Cautionary Note

Certain statements in the ‘Management Discussion and Analysis’ section may be forward-looking and are stated as may be required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Your Company does not undertake to update these statements.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Director retiring by rotation

Mr. K.V.S. Manian (DIN: 00031794), retires by rotation at the Thirty-first Annual General Meeting and being eligible, has offered himself for re-appointment.

Change in Directors

As indicated in last year's Annual Report, Mr. Dipak Gupta (DIN:00004771), resigned as a Director of the Company with effect from 1st April, 2018 and Mr. Arvind Kathpalia (DIN: 02630873) who was appointed as an Additional Director of the Company with effect from 1st April, 2018 was appointed as a Director by the members of the Company at the last Annual General Meeting held on 11th June 2018.

Due to internal restructuring within the Kotak Group, Mr. Paritosh Kashyap (DIN:07656300), Managing Director & CEO who has been assigned the responsibilities of Banking & Financial Institution Group & Debt Capital Market has been moved to Kotak Mahindra Bank Limited, the Company's holding company, with effect from 1st May, 2019. Accordingly, Mr. Kashyap resigned as a Managing Director & CEO of the Company with effect from 1st May, 2019. However, Mr. Kashyap continues to be a Non-Executive Director on the Board of the Company.

Re-appointment of Independent Director

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee and the results of the performance evaluation, re-appointed Mr. Chandrashekhar Sathe (DIN 00017605) as an Independent Director of the Company for second term from 30th March, 2020 till 29th March, 2025, subject to the necessary approval from the shareholders. Accordingly, approval of the shareholders for re-appointment of Mr. Sathe through special resolution is being sought at the ensuing Annual General Meeting of the Company.

Mr. Chandrashekhar Sathe, B. Tech. (Chemical Engineering) from IIT, Mumbai, aged 68 years, has over 40 years' experience in the banking and financial sector. Mr. Sathe has worked with Bank of Nova Scotia, Kotak Mahindra Bank Ltd. and Bank of Maharashtra and has wide ranging experience in Banking, Finance, Administration, Credit, Foreign Exchange and Money Markets. Mr. Sathe was a widely consulted expert on Foreign Exchange and Money Markets in India and was a frequent contributor to financial newspapers, magazines and TV News channels.

Declaration from Independent Directors

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

Board Evaluation

The Nomination and Remuneration Committee of the Company's Board has formulated the criteria for performance evaluation of the Directors and the Board as a whole. The criteria formulated broadly covers the Board role, Board/Committee membership, practice & procedure and collaboration & style.

A Board effectiveness assessment questionnaire designed for the performance evaluation of the Board, its Committees, Chairman and individual directors and in accordance with the criteria set and covering various aspects of performance including structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, evaluation of risks, grievance redressal for investors, conflict of interest, relationship among directors, director competency, board procedures, processes, functioning and effectiveness was circulated to all the directors of the Company for the annual performance evaluation.

Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, the Chairman and the individual Directors, a summary of the Board Evaluation was placed before the meeting of the Independent Directors for consideration. Similarly, the Board at its meeting assessed the performance of the Independent Directors. The Directors were satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

Change in Key Managerial Personnel (KMPs)

Consequent to the resignation of Mr. Paritosh Kashyap as a Managing Director & CEO of the Company, the Board of Directors of the Company, at its meeting held on 24th April, 2019, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Amit Bagri as a Chief Executive Officer of the Company with effect from 1st May, 2019.

Mr. Bagri aged 45 years, is a Post Graduate Diploma in Management (PGDM) from Indian Institute of Management, Ahmedabad (IIMA) having an experience of close to 23 years in financial advisory, investment and corporate banking, working across a wide spectrum of clients from conglomerates, to large corporates and multinationals.

During the year, Mr. Chandrahas Kuckian, Chief Financial Officer of the Company resigned with effect from 14th July, 2018 and Mr. Deepak Goel was appointed as the Chief Financial Officer of the Company with effect from 14th July, 2018.

In terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Amit Bagri, Chief Executive Officer, Mr. Deepak Goel, Chief Financial Officer and Mr. Jignesh Dave, Company Secretary, are the Key Managerial Personnel of the Company.

Appointment & Remuneration of Directors and KMPs

The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated criteria for appointment of Senior Management Personnel and the Directors. Based on the criteria set it recommends to the Board the appointment of Directors and Senior Management Personnel. The Committee considers the qualifications, experience, fit & proper status, positive attributes as per the suitability of the role and independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

The Board has adopted a Remuneration Policy for the Whole-time Directors, Chief Executive Officer and other employees of the Company. The Policy is in line with the Compensation Policy of Kotak Mahindra Bank Ltd., its holding company, which is based on the Guidelines issued by Reserve Bank of India. The salient features of the Remuneration Policy are as follows:

- Objective is to maintain fair, consistent and equitable compensation practices in alignment with Kotak's core values and strategic business goals.
- Applicable to all employees of the Company. Employees classified into 3 groups:
  - Whole-time Directors/Chief Executive Officer
  - Risk, Operations & Support Staff
  - Other categories of Staff
- Compensation structure broadly divided into Fixed, Variable and ESOPs
  - Fixed Pay – Total cost to the Company i.e. Salary, Retirals and Other Benefits.
  - Variable Pay – Linked to assessment of performance and potential based on Balanced Key Result Areas (KRAs), Standards of Performance and achievement of targets with overall linkage to Bank budgets and business objectives. The main form of incentive compensation includes – Cash, Deferred Cash/Incentive Plan and Stock Appreciation Rights.
  - ESOPs – Granted on a discretionary basis to employee based on their performance and potential with the objective of retaining the employee.
- Compensation Composition – The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non Cash within Variable pay outlined for each category of employee classification.
- Any variation in the Policy to be with approval of the Nomination & Remuneration Committee.
- Malus and Clawback clauses applicable on Deferred Variable Pay.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a compensation policy for the Independent Directors (IDs) of the Company. The salient features of the Compensation Policy are as follows:

- Compensation structure broadly divided into:
  - Sitting fees
  - Re-imbursement of expenses
  - Commission (profit based)
- Amount of sitting fees and commission to be decided by the Board from time to time, subject to the regulatory limits.
- Independent Directors are not eligible for any stock options of Kotak Mahindra Bank Ltd., the Company's holding company.

Remuneration to the KMPs i.e. Chief Executive Officer, Chief Financial Officer and the Company Secretary, is as per the terms of their employment.

Number of Board Meetings

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

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **Ratio of the remuneration of each director to the median remuneration of the employees for the financial year:**

Name	Title	Ratio	Ratio excluding SARs
Mr. Paritosh Kashyap *	Managing Director & CEO	14.16x	10.87x

** Refer Note 1*

2. **Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: ****

Name	Title	% increase in remuneration	% increase in remuneration excluding SARs
Mr. Paritosh Kashyap *	Managing Director & CEO	12.18	13.18
Mr. Jignesh Dave	CS & Sr. VP - Legal	20.18	16.64

** Refer Note 1*

*** Refer Note 2*

3. **Percentage increase in the median remuneration of employees in the financial year:**

   12.18% considering employees who were in employment for the whole of FY 2017-18 and FY 2018-19.

4. **Number of permanent employees on the rolls of Company at the end of the year:** 95

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   For employees other than managerial personnel who were in employment for the whole of FY 2017-18 and FY 2018-19 the average increase is 17.80% and 16.25% excluding SARs.

   Average increase for managerial personnel is 13.84% and 14.06% excluding SARs.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

   The Company is in compliance with its Remuneration Policy.

Notes:

1) *Mr. Paritosh Kashyap resigned as a Managing Director & CEO w.e.f. 1st May, 2019. However, he continues to be a Non-Executive Director on the Board of the Company. Mr. Amit Bagri has been appointed as a CEO of the Company w.e.f. 1st May, 2019.*
2) *Mr. Chandrahas Kuckian resigned as a Chief Financial Officer w.e.f. 14th July, 2018 and Mr. Deepak Goel was appointed as a Chief Financial Officer w.e.f. 14th July, 2018. Details of their increase in remuneration are not given since they were employed only for part of FY 2018-19.*
3) *The Independent Directors of the Company receive remuneration in the form of sitting fees for attending the Board/Committee meetings and in the form of an annual profit based commission.*
4) *Remuneration includes Fixed pay + Variable paid during the year + perquisite value as calculated under the Income Tax Act, 1961. However, it does not include value of Stock Options.*
5) *Stock Appreciation Rights (SARs) are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the stock of Kotak Mahindra Bank Ltd. on specified value dates. Cash paid out during the year is included for the purposes of remuneration.*

COMMITTEES

Audit Committee

The Audit Committee was re-constituted with effect from 1st April, 2018 and presently consists of three members, Ms. Padmini Khare Kaicker (Chairperson), Mr. Chandrashekhar Sathe and Mr. Arvind Kathpalia, with any two forming the quorum.

During the year, seven meetings of the Committee were held.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted with effect from 1st April, 2018 and consists of three members, Mr. Chandrashekhar Sathe (Chairman), Mr. Arvind Kathpalia and Mr. K.V.S. Manian, with any two forming the quorum.

During the year, two meetings of the Committee were held.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee was re-constituted with effect from 1st April, 2018 and presently consists of three members, Mr. Arvind Kathpalia (Chairman), Ms. Padmini Khare Kaicker and Mr. Chandrashekhar Sathe, with any two forming the quorum.

During the year, three meetings of the Committee were held.

Credit Committee of the Board

The Credit Committee of the Board was re-constituted with effect from 1st April, 2018. It comprises of Mr. Arvind Kathpalia and Mr. K.V.S. Manian. The Committee considers the credit proposals upto a limit specified by the Board.

During the year, forty-six meetings of the Committee were held.

Risk Management Committee (RMC)

RMC Board - Tier II, a supervisory Committee reviews the adequacy of the risk management process and up-gradation thereof. RMC Board Tier-II was re-constituted on 1st April, 2018 and presently consists of Mr. Arvind Kathpalia, Mr. K.V.S. Manian and Mr. Paritosh Kashyap. The quorum comprises of any two members.

During the year, four meetings of the Committee were held.

IT Strategy Committee

IT Strategy Committee of the Board comprises of Ms. Padmini Khare Kaicker, Mr. K.V.S. Manian & Mr. Paritosh Kashyap. The quorum comprises of any two members. The Committee reviews the IT strategy of the Company and other matters related to IT governance.

During the year, one meeting of the Committee was held.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed Ms. Rupal D. Jhaveri, a Company Secretary in Practice, as its Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed to this Report. Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for FY 2018-19.

ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the annual return of the company as on 31st March, 2019 once prepared shall be disclosed on the Company's website viz. Url: http://www.kmil.co.in/customer-services/index.html

Also, an extract of the annual return as on 31st March, 2019 in form MGT-9 is annexed to this Report.

AUDITORS

In terms of Section 139 of the Companies Act, 2013, Price Waterhouse Chartered Accountants LLP (Firm Registration no. 012754N/N500016) were appointed as statutory auditors of the Company for a period of 5 years commencing from the conclusion of Twenty Ninth AGM till the conclusion of the Thirty Fourth AGM.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious deviation has been observed for inefficiency or inadequacy of such controls.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards ("Ind AS") for the accounting period beginning on 1st April, 2018 with effective transition date 1st April, 2017 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

CONSOLIDATED FINANCIAL STATEMENTS

The audited Consolidated Financial Statements of the Company for FY 2018-19 forms a part of this Annual Report.

RELATED PARTY TRANSACTIONS

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

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

All Related Party Transactions are placed before the Audit Committee for its review and approval on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature.

All Related Party Transactions as required under Ind AS24 are reported in Note 34 of Notes to Accounts of the Consolidated financial statements and Note 34 of Notes to Accounts of the Standalone financial statements of your Company.

The Company's Policy on dealing with Related Party Transactions is available on the Company's website viz. URL: http://www.kmil.co.in/policies.html

SALE OF EQUITY STAKE HELD IN ASSOCIATE COMPANY

Your Company on 26th April, 2019 sold its entire equity stake of 19.77% held in Matrix Business Services India Pvt. Ltd. ('Matrix'). Consequently, Matrix has ceased to be an associate company of your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 read with Rule 11 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company being a Non-Banking Financial Company registered with Reserve Bank of India, is exempt from the provisions of Section 186 of the Companies Act, 2013.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has also put in place the Whistle Blower Policy to raise concerns internally and to disclose information, which the individual believes shows malpractice, serious irregularities, fraud, unethical business conduct, abuse or wrong doing or violation of any Indian law.

The same is also put up on the Company's website viz. URL: http://www.kmil.co.in/policies.html

CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Board Corporate Social Responsibility Committee (CSR Committee). The CSR Committee presently consists of Mr. Chandrashekhar Sathe (Chairman), Mr. Arvind Kathpalia and Mr. K.V.S. Manian.

Your 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 CSR interventions. The core CSR focus areas outlined are:

- Education
- Vocational skills and livelihood
- Preventive healthcare and sanitation
- Reducing inequalities faced by socially and economically backward groups
- Sustainable development
- Relief and rehabilitation
- Clean India
- Sports

The Company's CSR Policy is available on the Company's website viz. URL: http://www.kmil.co.in/policies.html

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 ₹ 273.16 crore.

The prescribed CSR expenditure required u/s 135, of the Act for FY 2018-19 is ₹ 546.32 lakh.

The CSR expenditure incurred from 1st April, 2018 to 31st March, 2019 u/s 135 of Companies Act, 2013 amounts to ₹ 246 lakh as against ₹ 40 lakh CSR expenditure incurred in the FY 2017-18. The unspent CSR expenditure amount for FY 2018-19 is ₹ 300.32 lakh.

CSR expenditure of ₹ 246 lakh as a percentage of average net profit u/s 198 of the Company at ₹ 273.16 crore, which is 0.90%.

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 in the coming year 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, livelihood and vocational skill development. 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 the years ahead.

The Company's CSR expenditure in FY 2018-19 of ₹ 246 lakh, which is over 500% higher than the previous financial year. In FY 2016-17, the Company's CSR Expenditure was ₹ 30 lakh, which increased to ₹ 40 lakh in FY 2017-18 – an increase of over 33% over the previous financial year.

Your Company does not consider "administrative overheads" as a 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.

RISK MANAGEMENT POLICY

Your Company manages risk based on Risk Management framework which lays down guidelines in identifying, assessing and managing risks that the entity is exposed to. Risk Management Committee meetings are conducted on quarterly basis to review key risks like Credit Risk, Liquidity Risk, Operational Risk and various other risks.

EMPLOYEES

The employee strength of your Company was Ninety Five (95) as of 31st March, 2019.

3 employees employed throughout the year were in receipt of remuneration of ₹102 lakh or more per annum and Nil employees employed for part of the year were in receipt of remuneration of ₹ 8.5 lakh or more per month.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has in place a Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal). No such instances were reported during the year.

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of your Company during the business hours on working days.

DEPOSITS

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

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

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

During the year, the Company had foreign exchange inflow of ₹ NIL (Previous Year: Nil) while the outgo of foreign exchange was ₹ NIL (Previous Year: Nil).

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;

ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the financial year ended 31st March, 2019;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

ANNEXURES

Following statements/reports are set out as Annexures to the Directors' Report:

(a) Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014 (Annexure – A).

(b) Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 (Annexure – B).

(c) Report on CSR activities pursuant to provisions of Section 135(4)(a) of the Companies Act, 2013, read with Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (Annexure – C).

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record, its gratitude for the valuable guidance and support received from the statutory and the regulatory authorities, its appreciation of the dedication and contribution of your Company's employees at all levels. The Board also acknowledges the faith reposed in the Company by the Company's lending institutions.

For and on behalf of the Board of Directors

Uday Kotak
Chairman

Place: Mumbai
Date: 14th May, 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	U65900MH1988PLC047986
ii)	Registration Date	5th July 1988
iii)	Name of the Company	Kotak Mahindra Investments Ltd.
iv)	Category / Sub-Category of the Company	Non Banking Financial Company
v)	Address of the Registered office and contact details	27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Tel No. : (022) 61660001 Fax No.: (022) 67132403
vi)	Whether listed company Yes / No	Yes (Only non-convertible debentures are listed under the debt market segment)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West) Mumbai - 400078 Tel : (022) 25946970

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other Credit granting	64920	97%

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 Ltd. 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	L65110MH1985PLC038137	Holding	100.00	2(87)
	Associate Company				
2	Phoenix ARC Pvt. Ltd. 5th Floor, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (E), Mumbai - 400098	U67190MH2007PTC168303	Associate	30.00	2(6)
3	Matrix Business Services India Private Limited * Shree Mahamadhi Towers, New No. 17, Arulambal Street, T. Nagar, Chennai - 600017	U74140TN2003PTC051482	Associate	19.77	2(6)

** Ceased to be an Associate Company w.e.f. 26th April, 2019*

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									
1 Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks/FI		5,622,578	5,622,578	100.00		5,622,578	5,622,578	100.00	0.00
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A) (1)	**-**	**5,622,578**	**5,622,578**	**100.00**	**-**	**5,622,578**	**5,622,578**	**100.00**	**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**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**5,622,578**	**5,622,578**	**100.00**	**-**	**5,622,578**	**5,622,578**	**100.00**	**0.00**
B. Public Shareholding as per classification given by Depository									
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) 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 Indians	-	-	-	-	-	-	-	-	-
		Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
		Foreign Bank	-	-	-	-	-	-	-	-	-
		Foreign Bodies	-	-	-	-	-	-	-	-	-
		Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
		Trust	-	-	-	-	-	-	-	-	-
		HUF	-	-	-	-	-	-	-	-	-
		Clearing Members	-	-	-	-	-	-	-	-	-
		Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
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)			**-**	**5,622,578**	**5,622,578**	**100.00**	**-**	**5,622,578**	**5,622,578**	**100.00**	**-**

(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 LTD.	5,622,458	100.00	0	5,622,458	100.00	0.00	0.00
2	NOMINEES OF KOTAK MAHINDRA BANK LTD.							
	(JOINTLY HOLDING WITH KOTAK MAHINDRA BANK LTD.)							
	Mr. C Jayaram	10	0.00	0	10	0.00	0.00	0.00
	Mr. Narayan S.A	10	0.00	0	10	0.00	0.00	0.00
	Mr. K.V.S. Manian	20	0.00	0	20	0.00	0.00	0.00
	Mr. Dipak Gupta	20	0.00	0	20	0.00	0.00	0.00
	Ms. Shanti Ekambaram	20	0.00	0	20	0.00	0.00	0.00
	Mr. Gaurang Shah	10	0.00	0	10	0.00	0.00	0.00
	Mr. Jaimin Bhatt	20	0.00	0	20	0.00	0.00	0.00
	Mr. T.V. Raghunath	10	0.00	0	10	0.00	0.00	0.00
	Total	**5,622,578**	**100.00**	**0**	**5,622,578**	**100.00**	**0.00**	**0.00**

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

Sl. No.		No. of shares	% of total shares of the company	Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company
	At the beginning of the year	No Change			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the End of the year	No Change			

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

Sl no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year			Date of change	Cumulative Shareholding during the year	
		No. of share	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the company
NIL									

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. no	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Date of change	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares - Decrease	No. of shares - Increase	Reason		No. of shares	% of total shares of the Company
	DIRECTORS								
	(Holding shares as nominee of Kotak Mahindra Bank Ltd. jointly with Kotak Mahindra Bank Ltd.)								
1	K.V.S. Manian	20	0.00	-	-	-	31/3/2018	20	0.00
							31/3/2019	20	0.00
	KEY MANAGERIAL PERSONNEL				**NIL**				

V. INDEBTEDNESS

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

(₹ in Lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits (Inter Corporate Deposits)	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	189,430.28	434,601.73	90,474.54	714,506.57
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	9,526.16	11,291.44	2,549.85	23,367.45
Total (i+ii+iii)		**198,956.44**	**445,893.17**	**93,024.39**	**737,874.02**
Change in Indebtedness during the financial year					
•	Addition	288,370.16	855,145.99	115,815.35	1,259,331.50
•	Reduction	169,035.61	795,372.63	164,954.23	1,129,362.47
Net Change		**119,334.55**	**59,773.36**	**(49,138.88)**	**129,969.03**
Indebtedness at the end of the financial year					
i)	Principal Amount	307,784.92	492,107.80	41,942.37	841,835.09
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	10,506.07	13,558.74	1,943.14	26,007.95
Total (i+ii+iii)		**318,290.99**	**505,666.54**	**43,885.51**	**867,843.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Paritosh Kashyap (MD & CEO) #	Total Amount
1.	Gross salary *		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	294.41	294.41
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961@	117.48	117.48
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	
2	Stock Option	Cost included in 1(b) above	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- Others, specify…		
	Others, please specify	-	-
	Total (A)	**411.89**	**411.89**
	Ceiling as per the Act **		

Notes:

@ The perquisite value towards stock options is the difference between exercise price and market price on the date of exercise. The same amounting to ₹ 117.08 lakh for Mr. Paritosh Kashyap is not paid by the Company.

** Gross salary includes Basic salary, House Rent Allowance, Professional Allowance, Reimbursement of Medical expenses, Leave Travel Allowance, Annual Incentives and cost towards Stock Appreciation Rights.*

*** Remuneration payable to the Managing Director shall not exceed 5% of the net profit of the Company.*

 # Mr. Paritosh Kashyap resigned as a Managing Director & CEO of the Company w.e.f. 1st May, 2019. However, he continues to be a Non-Executive Director on the Board of the Company.

B. REMUNERATION TO OTHER DIRECTORS

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
1	**Independent Directors**	**Mr. Chandrashekhar Sathe**	**Ms. Padmini Khare Kaicker**	
	Fee for attending board / committee meetings	10.30	8.50	18.80
	Commission **	4.00	4.00	8.00
	Others, please specify	-	-	-
	Total (1)	**14.30**	**12.50**	**26.80**
2	**Other Non-Executive Directors**	**NIL**		
	Fee for attending board / committee meetings			
	Commission			
	Others - Remuneration			
	Total (2)			
	Total (B)=(1+2)			**26.80**
	Total Managerial Remuneration			
	Overall Ceiling as per the Act *			

Note:

** Remuneration payable shall not exceed 1% of the net profit of the Company*

*** Commission pertaining to FY 2017-18 paid during FY 2018-19*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakh)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Jignesh Dave, Company Secretary & Sr. Vice President - Legal	Mr. Chandrahas Kuckian,CFO **	Mr. Deepak Goel, CFO **	
1.	Gross salary *				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	82.70	28.48	47.20	158.38
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961 @	1.48	-	3.16	4.64
	(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	**84.18**	**28.48**	**50.36**	**163.02**

Notes:

@ *The perquisite value towards stock options is the difference between exercise price and market price on the date of exercise. The same amounting to ₹ 1.16 lakh for Mr. Jignesh Dave and ₹ 1.22 lakh for Mr. Deepak Goel is not paid by the Company.*

* *Gross salary includes Basic salary, House Rent Allowance, Professional Allowance, Reimbursement of Medical expenses, Transport Allowance, Leave Travel Allowance, Annual Incentives and cost towards Stock Appreciation Rights.*

** *Mr. Chandrahas Kuckain resigned as a CFO w.e.f. 14th July 2018 and Mr. Deepak Goel was appointed as a CFO w.e.f. 14th July 2018.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE-B

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KOTAK MAHINDRA INVESTMENTS LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kotak Mahindra Investments Limited** (hereinafter called the **"Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March 2019, according to the provisions of, as may be applicable :

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings: There was no overseas Direct Investment made or External Commercial Borrowings during the year;
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
7. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
8. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
    a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client;
    e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
9. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFC's;
10. Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
11. Prevention of Money Laundering Act, 2002 and the rules thereunder;
12. Other laws to the extent applicable to the Company as per the representations made by the Company;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the above Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at a shorter notice to transact urgent business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. A Special Resolutions were passed at the Annual General Meeting of the Company held on 11th June, 2018 by the members pursuant to Section 42 of the Companies Act, 2013 for approving (i) issuance of secured non-convertible debentures on private placement basis and (ii) issuance of Unsecured/Tier-II debentures on private placement basis.
2. A Special Resolution was passed at the Extraordinary General Meeting of the Company held on 24th July, 2018 by the members pursuant to Section 42 of the Companies Act, 2013 for issuance of new/further secured/unsecured non-convertible debentures upto ₹3,500 crore on private placement basis within the overall borrowing limit of the Company under Section 180(1)(c) of the Companies Act, 2013.

Rupal Dhiren Jhaveri
Place: Mumbai
FCS No: 5441
Date: 3rd May, 2019
Certificate of Practice No. 4225

This report is to be read with our letter of even date which is annexed as **Annexure A** *and forms an integral part of this report*

Annexure A

To,

The Members,

KOTAK MAHINDRA INVESTMENTS LIMITED

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

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

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225

Place: Mumbai
Date: 3rd May, 2019

ANNEXURE - C

DETAILS OF CSR ACTIVITIES AND EXPENDITURE UNDER SECTION 135 OF THE COMPANIES ACT, 2013

CSR project/ activity	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 - Maharashtra	85.00	59.84	11.40	190.00 (Out of ₹ 85.00 Lakh, the NGO did not utilise ₹ 13.76 Lakh. This will be utilised for meeting the requirements for FY 2019-20)	Implementing Agency - 85.00
Promoting livelihood	Vocational Skills and Livelihood	Ahmednagar, Kolhapur, Latur -Maharashtra, Gorakpur, Meerut - Uttar Pradesh, Dhamtari, Raipur - Chhattisgarh, Hyderabad - Telangana, Cuttack - Odisha, and Simdega - Jharkhand	161.00	125.96	6.90	161.00 (Out of ₹ 161.00 Lakh, the NGO did not utilise ₹ 28.14 Lakh. This will be used towards meeting expenses for FY 2019-20)	Implementing Agency – 161.00
						TOTAL CSR SPEND U/S 135 OF THE COMPANIES ACT, 2013, DURING FY 2018-19	**246.00**

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 FY2018-19, the Company implemented its CSR Programme 'Vocational Skills and Livelihood', which it is implementing in partnership with (and through) Pratham Education Foundation (Pratham). The expenditure provides vocational skill training in the areas of Construction, Electrical, Plumbing and Welding to the underprivileged youths from economically disadvantaged backgrounds in Ahmednagar, Kolhapur, Latur -Maharashtra, Gorakhpur, Meerut - Uttar Pradesh, Dhamtari, Raipur - Chhattisgarh, Hyderabad - Telangana, Cuttack - Odisha, and Simdega – Jharkhand. This CSR initiative is to enable them to access employment as well as create entrepreneurship opportunities.

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.

Paritosh Kashyap
Director

Chandrashekhar Sathe
Chairman - CSR Committee

Independent Auditor's Report

To The Members Of Kotak Mahindra Investments Limited

Report on audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Kotak Mahindra Investments Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
I. Expected Credit Loss (ECL) provision in respect of Loans and Investments carried at amortised cost (refer Note 1.5 C for accounting policy and Note 5 and 6 for ECL provision) As detailed in Note 5 and 6, the Company has loans and investments carried at amortized cost amounting to Rs. 879,680.49 lakhs (gross) and Rs. 50,079.84 lakhs respectively as at March 31, 2019 The Company holds ECL provision of Rs. 5,470.22 lakhs and Rs. 378.19 lakhs against such loans and investments respectively. As discussed in note 1.5 C, ECL provision has been determined in accordance with Ind AS 109– Financial Instruments and is significant to the standalone financial statements. We focused on this area as determining ECL provision requires significant judgements by the management. Key areas of judgement included: - Assumptions used in the expected credit loss provision such as the financial condition of the counterparty, probability of default, expected future cash flows, expected loss in case of default. - The identification of exposures with a significant increase in credit risk from initial recognition of loans.	We carried out following procedures in respect to ECL provision: - Held discussions with management and obtained understanding of significant assumptions like probability of default, loss given default and exposure at default used for making assessment of ECL provision. - Understood from the management and evaluated the design and tested operating effectiveness of controls in respect of significant assumptions like probability of default, loss given default and exposure at default including appropriate approvals and mathematical accuracy, which are used in making the assessment of ECL provision. - Involved auditor's expert to assess the appropriateness of the assumptions and judgement made by management used to calculate ECL provision. - Traced key data inputs used to compute the ECL provision on a sample basis to assess their accuracy and completeness. - Ensured mathematical accuracy of the ECL provision by performing recalculations on sample basis. Based on above audit procedures performed, we did not note any significant exceptions to Expected Credit Loss (ECL) provision in respect of financial assets.

II. Appropriateness of the recognition of Interest Income following Effective Interest Rate Approach Refer Note 5 and 19 of the standalone financial statements. The Company has recognized the interest income based on effective interest rate (EIR) approach. The total interest income recognized in current year under EIR accounting is Rs. 91,536.86 lakhs. For computation of EIR, the Company has identified the cost and revenue (called as EIR component) which are directly attributed to the respective loan account. The Company has followed two approaches for treating the EIR component for the respective loans. In case of loans which are having revolving facility, the identified EIR component is amortised over the tenure of the loan on straight line basis and in case of fixed period loan, the EIR component is amortised on the basis of effective interest rate over the period of the loan. Key inputs used in the computation of EIR , in case of fixed period loan, is impacted by the management's assumptions in respect of timing of future cash outflow (i.e. disbursement of loans). Given the inherent subjectivity in the assumptions and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	We carried out following procedures in respect income recognition as per EIR approach – • Understood from the management and tested the design and operating effectiveness of the key controls surrounding the calculations of EIR and computation of interest income based on the same. • For selected samples, assessed the reasonableness of key assumptions / inputs used in assessing the customers' behavior which is used for estimating future cash out flows (i.e. disbursement of loans) in case of fixed period loan. • For selected samples, tested the arithmetical accuracy of the calculation of EIR and amortization of interest income, over the period of the loan. Based on available evidence and above procedures performed, we did not find any material exceptions to the recognition of interest income following EIR approach.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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 responsibilities for the audit of the standalone financial statements

8. 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.

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

   - Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. The transition date opening balance sheet as at April 1, 2017 included in these Ind AS standalone financial statements, are based on the previously issued statutory standalone financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide report dated April 18, 2017. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

14. The financial information of the Company for the year ended March 31, 2018 included in these standalone financial statements, are based on the previously issued statutory standalone financial statements for the year ended March 31, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 29, 2018. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

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

    (b) In our opinion, proper books of account as required by 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 Changes in Equity and Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act;

    (e) On the basis of the written representations received from the directors as on March 31, 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations as at March 31, 2019, which would impact its financial position, refer to note 31 of the standalone financial statements;

        ii. Provision has been made in the standalone financial statements, as required by the applicable laws and accounting principles generally accepted in India, for material foreseeable losses, on long-term contracts – Refer Notes 5 and 6 to the standalone financial statements. The Company did not have any derivative contracts as at March 31, 2019;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sharad Vasant
Mumbai Partner
Membership Number: 101119

Mumbai
May 15, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Kotak Mahindra Investments Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Kotak Mahindra Investments Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. 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 issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

AUDITORS' RESPONSIBILITY

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

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

5. 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 with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements 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 WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

periods are subject to the risk that the internal financial control controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Membership Number: 101119

Mumbai
May 15, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Kotak Mahindra Investments Limited on the standalone financial statements as of and for the year ended March 31, 2019

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 8 on fixed assets to the financial statements, are held in the name of the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company is a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of financing. Accordingly, the provisions of Section 185 is not applicable to the Company.

According to the information and explanations given to us, the Company has complied with the provisions of Section 186(1) of the Companies Act, 2013 in respect of the investments made. As, the Company is a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of financing, the other provisions of Section 186 are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 30 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Final Assessment order	32	April 1, 2013 to March 31, 2014	Commissioner of Income Tax (Appeals)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non Banking financial institution.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Membership Number: 101119

Mumbai
May 15, 2019

Standalone Balance Sheet

as at March 31St, 2019

(Amount in lakhs)

Particulars	Note No.	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	2	27,418.60	25,710.47	21,456.75
Bank Balance other than cash and cash equivalents	3	22,798.78	10,378.77	10,362.96
Receivables				
(I) Trade receivables	4(A)	540.02	1,475.79	0.55
(II) Other receivables	4(B)	181.24	22.00	15.64
Loans	5	874,210.27	761,121.88	675,875.21
Investments	6	100,948.93	78,353.97	63,195.10
Other Financial assets	7	110.15	0.17	0.17
Total financial assets		**1,026,207.99**	**877,063.05**	**770,906.38**
Non-financial assets				
Current Tax assets (Net)	29	472.90	191.93	3.54
Deferred Tax assets (Net)	29	2,656.84	1,873.47	1,487.08
Property, Plant and Equipment	8	198.72	74.80	141.29
Intangible assets under development		6.00	-	-
Other intangible assets	9	16.23	21.11	6.60
Other Non-financial assets	10	311.23	204.37	21.00
Total Non-financial assets		**3,661.92**	**2,365.68**	**1,659.51**
Total Assets		**1,029,869.91**	**879,428.73**	**772,565.89**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	11			
(I) Trade payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		526.46	951.40	165.19
(II) Other payables				
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		378.29	138.05	191.54
Debt securities	12	297,777.68	163,897.49	195,576.89
Borrowings (Other than Debt Securities)	13	549,826.27	553,739.26	450,866.70
Subordinated Liabilities	14	20,239.09	20,237.25	20,235.33
Other Financial liabilities	15	207.69	292.15	306.84
Total financial liabilities		**868,955.48**	**739,255.60**	**667,342.49**
Non-Financial liabilities				
Current tax liabilities (Net)	29	1,651.85	1,598.22	1,208.13
Provisions	16	492.23	396.67	391.86
Other non-financial liabilities	17	1,310.30	393.40	148.10
Total Non-financial liabilities		**3,454.38**	**2,388.29**	**1,748.09**
EQUITY				
Equity Share Capital	18	562.26	562.26	516.80
Other equity	19	156,897.79	137,222.58	102,958.51
Sub total		**157,460.05**	**137,784.84**	**103,475.31**
Total Liabilities and equity		**1,029,869.91**	**879,428.73**	**772,565.89**
Significant Accounting Policies and Notes on Accounts	1			

This is the Balance sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Memebership No: 101119

Date and Place: May 15, 2019, Mumbai

For and on behalf of the Board of Directors

K.V.S Manian
Director
DIN : 00031794

Paritosh Kashyap
Director
DIN : 07656300

Amit Bagri
Chief Executive Officer

Deepak Goel
Chief Financial Officer

Jignesh Dave
Company Secretary

Date and Place: May 14, 2019, Mumbai

Standalone Statement of Profit and Loss

for the year ended March 31st, 2019

(Amount in lakhs)

	Particulars	Note no.	For the year ended March 31st, 2019	For the year ended March 31st, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest income	20	91,536.86	81,496.60
(ii)	Dividend income	21	125.94	22.35
(iii)	Fees and commission income	22	557.89	1,089.60
(iv)	Net gain on financial instruments measured on fair value	23	3,728.04	8,018.52
(I)	**Total revenue from operations**		**95,948.73**	**90,627.07**
(II)	**Other income**	24	209.51	229.77
(III)	**Total income (I + II)**		**96,158.24**	**90,856.84**
	EXPENSES			
(i)	Finance costs	25	56,941.82	49,085.79
(ii)	Impairment on financial instruments	26	2,614.31	135.27
(iii)	Employee Benefits expenses	27	2,726.51	2,688.73
(iv)	Depreciation, amortization and impairment	8 & 9	88.00	70.57
(v)	Other expenses	28	2,948.02	2,161.18
(IV)	**Total expenses**		**65,318.66**	**54,141.54**
(V)	**Profit/(loss) before tax**		**30,839.58**	**36,715.30**
(VI)	**Tax expense**	29		
	(1) Current tax		(11,294.93)	(12,450.69)
	(2) Deferred tax		513.36	243.92
	Total tax expense (1+2)		**(10,781.57)**	**(12,206.77)**
(VII)	**Profit/(loss) for the year (V+VI)**		**20,058.01**	**24,508.53**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		(45.57)	(27.00)
	Sub-total		**(45.57)**	**(27.00)**
	(ii) Income tax relating to above items		15.93	9.43
	Total (A)		**(29.64)**	**(17.57)**
	(B) Items that will be reclassified to profit or loss			
	(i) Debt Instruments through Other Comprehensive Income		(727.17)	(391.78)
	Sub total		**(727.17)**	**(391.78)**
	(ii) Income tax relating to items that will be reclassified to profit or loss		254.10	133.02
	Total (B)		**(473.07)**	**(258.76)**
	Other comprehensive income (A + B)		(502.71)	(276.33)
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**19,555.30**	**24,232.20**
(X)	**Earnings per equity share**	30		
	Basic and Diluted (Rs.)		356.74	470.49
	Significant Accounting Policies and Notes on Accounts	1		

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Memebership No: 101119

Date and Place: May 15, 2019, Mumbai

For and on behalf of the Board of Directors

K.V.S Manian
Director
DIN : 00031794

Paritosh Kashyap
Director
DIN : 07656300

Amit Bagri
Chief Executive Officer

Deepak Goel
Chief Financial Officer

Jignesh Dave
Company Secretary

Date and Place: May 14, 2019, Mumbai

Standalone Statement of Cash Flows

for the year ended March 31st, 2019

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Cash flow from operating activities		
Profit before tax	**30,839.58**	**36,715.30**
Adjustments to reconcile profit before tax to net cash generated from / (used in) operating activities		
Depreciation and amortization expense	88.00	70.57
Interest on Investment	(3,115.78)	(3,617.19)
Dividend Received	(125.94)	(22.35)
Profit on Sale of Property, Plant and Equipment	(15.71)	(9.09)
Impairment on financial instruments	2,614.31	135.27
Net gain/ (loss) on financial instruments at fair value through profit or loss	(3,728.04)	8,018.52
Interest on Borrowing	56,941.82	49,085.79
Interest on Borrowing paid	(51,987.22)	(44,593.26)
ESOP Expense	119.91	77.33
Remeasurements of the defined benefit plans	(45.57)	(27.00)
Debt Instruments through Other Comprehensive Income	(727.17)	(391.78)
Liabilities / provisions no longer required, written back	-	(26.87)
Operating profit before working capital changes	**30,858.19**	**45,415.24**
Working capital adjustments		
(Increase) / Decrease in Bank Balance other than cash and cash equivalent	(12,422.44)	(15.81)
(Increase) / Decrease in Loans	(115,668.44)	(85,334.78)
(Increase) / Decrease in Receivables	778.97	(1,487.04)
(Increase) / Decrease in Other Financial Assets	(110.45)	-
(Increase) / Decrease in Other Non Financial Assets	(106.86)	(183.37)
Increase / (Decrease) in Trade payables	(424.95)	786.21
Increase / (Decrease) in other payables	240.23	(53.49)
Increase / (Decrease) in other financial liabilities	(84.46)	(14.69)
Increase / (Decrease) in other non-financial liabilities	916.90	245.30
Increase / (Decrease) provisions	95.57	4.81
	(126,785.93)	**(86,052.86)**
Net Cash (used in) / generated from operations	(95,927.75)	(40,637.62)
Income tax paid (net)	(11,522.27)	(12,248.98)
Net cash (used in) / generated from operating activities	**(107,450.01)**	**(52,886.60)**
Cash flow from investing activities		
Purchase of investments	(8,741,782.50)	(59,492.61)
Sale of investments	8,721,094.22	38,403.53
Interest on Investments	4,903.71	1,514.83
Purchase of Property, Plant and Equipment	(218.28)	(29.47)
Sale of Property, Plant and Equipment	20.95	19.97
Dividend on investments	125.94	22.35
Net cash (used in) / generated from investing activities	**(15,855.96)**	**(19,561.40)**

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Cash flow from financing activities		
Proceeds from issue of Share Capital (including Share premium)	-	9,999.99
Proceeds from Debt Securities	224,927.43	66,100.00
Repayment of Debt Securities	(96,000.00)	(102,270.00)
Proceeds/(Repayment) from Borrowings (Other than Debt Securities)	(3,912.99)	102,872.56
Net cash flow from financing activities	**125,014.44**	**76,702.55**
Net (decrease) / increase in cash and cash equivalents	1,708.47	4,254.55
Cash and cash equivalents at the beginning of the year	25,715.48	21,460.93
Cash and cash equivalents at the end of the year	**27,423.96**	**25,715.48**
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 2)		
Cash on hand	-	-
Balances with banks in current account	27,423.95	25,715.48
Cheques, drafts on hand	-	-
Cash and cash equivalents as restated as at the year end *	**27,423.95**	**25,715.48**

* Cash and cash equivalents shown in Balance Sheet is net of ECL provision of Rs 5.35 lakhs as at March 31st, 2019, Rs 5.01 lakhs as at March 31st, 2018 and Rs 4.18 lakhs at April 01st, 2017

The above Statement of cash flow has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Statement of cash flow'.

This is the Statement of cash flow referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Memebership No: 101119

Date and Place: May 15, 2019, Mumbai

For and on behalf of the Board of Directors

K.V.S Manian
Director
DIN : 00031794

Paritosh Kashyap
Director
DIN : 07656300

Amit Bagri
Chief Executive Officer

Deepak Goel
Chief Financial Officer

Jignesh Dave
Company Secretary

Date and Place: May 14, 2019, Mumbai

Standalone Statement of Changes in Equity

for the year ended March 31st, 2019

A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the the year
Equity shares of Rs. 10 each fully paid up			
As on April 01st, 2017	516.80	-	516.80
As on March 31st, 2018	516.80	45.46	562.26
As on March 31st, 2019	562.26	-	562.26

B. OTHER EQUITY

Particulars	Reserves and Surplus						Debt instruments through OCI	Total
	Securities premium	Capital redemption reserve	General Reserve	Special Reseve	Capital Contribution from Parent	Retained earnings		
Opening balance as on April 01st, 2017	**23,591.22**	**1,003.85**	**431.10**	**15,250.20**	**101.05**	**61,824.91**	**756.18**	**102,958.51**
Profit for the year	-	-	-	-	-	24,508.53	-	24,508.53
Other Comprehensive Income for the year	-	-	-	-	-	(17.57)	(258.76)	(276.33)
Transfer from Statement of Profit and Loss to Special Reserve	-	-	-	4,900.00	-	(4,900.00)	-	-
Received during the year on account of issuance of equity shares	9,954.54	-	-	-	-	-	-	9,954.54
Fair value of ESOP	-	-	-	-	77.33	-	-	77.33
Changes during the period	**9,954.54**	**-**	**-**	**4,900.00**	**77.33**	**19,590.96**	**(258.76)**	**34,264.07**
Closing balance as on March 31st, 2018	**33,545.76**	**1,003.85**	**431.10**	**20,150.20**	**178.38**	**81,415.87**	**497.42**	**137,222.58**
Opening balance as on March 31st, 2018	**33,545.76**	**1,003.85**	**431.10**	**20,150.20**	**178.38**	**81,415.87**	**497.42**	**137,222.58**
Profit for the year	-	-	-	-	-	20,058.01	-	20,058.01
Other Comprehensive Income for the year	-	-	-	-	-	(29.64)	(473.07)	(502.71)
Transfer from Statement of Profit and Loss to Special Reserve	-	-	-	4,139.89	-	(4,139.89)	-	-
Fair value of ESOP	-	-	-	-	119.91	-	-	119.91
Changes during the period	**-**	**-**	**-**	**4,139.89**	**119.91**	**15,888.48**	**(473.07)**	**19,675.21**
Closing balance as on March 31st, 2019	**33,545.76**	**1,003.85**	**431.10**	**24,290.09**	**298.29**	**97,304.35**	**24.35**	**156,897.79**

Nature and purpose of reserve - Refer Note 19.1

Thisis the Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Memebership No: 101119

Date and Place: May 15, 2019, Mumbai

For and on behalf of the Board of Directors

K.V.S Manian
Director
DIN : 00031794

Paritosh Kashyap
Director
DIN : 07656300

Amit Bagri
Chief Executive Officer

Deepak Goel
Chief Financial Officer

Jignesh Dave
Company Secretary

Date and Place: May 14, 2019, Mumbai

Schedules forming part of Balance Sheet and Profit and Loss Account

1.1. CORPORATE INFORMATION

Kotak Mahindra Investments Limited (the Company) is registered as a Non-Banking Financial Company with Reserve Bank of India. The Company is engaged in providing finance for loan against securities, corporate loans, developer funding and such other activities as holding long term strategic investments. The Company is a 100% subsidiary of Kotak Mahindra Bank Ltd.

The Company's registered office is at 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

1.2. BASIS OF PREPARATION

A. Statement of compliance

The standalone 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. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these standalone financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other relevant provision 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), guidelines issued by the RBI 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 April 01st ,2017 and the comparative previous year has been restated / reclassified.

The standalone financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).

The standalone 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 standalone 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 Directors on 14 May 2019.

B. Use of estimates and judgements

The preparation of standalone financial statements in accordance with Ind AS requires use of 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. Determination of estimated useful lives of property, plant, equipment

Useful lives of property, plant and equipment are based on the 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.

II. 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 36.

III. 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, depreciation carry-forwards and unused tax credits could be utilized.

IV. Recognition and measurement of provisions and contingencies

The recognition and measurement of other 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.

V. 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.

VI. Fair value of share-based payments

Share-based compensation benefits are provided to employees via the (a) Kotak Mahindra Equity Option Scheme 2007; and (b) Kotak Mahindra Equity Option Scheme 2015 (the 'Option Plan') managed by Kotak Mahindra Bank Limited (the Holding Company), an employee share scheme and share-appreciation rights.

The fair value of options granted under the Option Plan is recognised as an employee benefits expense with a corresponding increase in equity if form of capital contribution from the Holding Company. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to other equity.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

VII. 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 see Note 35.

VIII. Business model assessment

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

IX. 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 (timing of disbursement)/ 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, changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

Schedules forming part of Balance Sheet and Profit and Loss Account

X. **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 and collateral values.

C. **Functional and presentation currency**

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

1.3. STANDARD ISSUED BUT NOT EFFECTIVE

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

1.4. 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 statement of profit or 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.

1.5. SIGNIFICANT ACCOUNTING POLICIES

A. REVENUE RECOGNITION

I. 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 stages 1 and 2 as against on amortised cost net of impairment allowance for the assets falling under impairment stage 3.

II. Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.

III. 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.

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

The Company recognises revenue from contracts with customers based on a five step model as set out below.

i) Revenue from services is recognized net of taxes as and when the service is performed as per the relevant agreements.

ii) Other revenue income is recognised when it is probable that consideration would be collected while considering the customer's ability and intention to pay when it is due.

B. 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

Classification

The company classifies its financial assets in the following measurement categories;

- those to be subsequently measured at (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, 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.

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 management. The information considered includes:

Schedules forming part of Balance Sheet and Profit and Loss Account

- 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:

- 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.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met:

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

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)
Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, on such instrument is recognized through Statement of Profit and Loss.

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

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost except when designated to be measured at FVTPL.

C. 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 loans, trade receivables, security deposit, 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:

a. significant financial difficulty of the issuer or the borrower;

b. a breach of contract, such as a default or past due event;

c. the Company, for economic or contractual reasons relating to the borrower's financial difficulty, has granted to the borrower a concession(s) that the Company would not otherwise consider;

d. it is becoming probable that the borrower will enter bankruptcy or other financial re-organisation;

e. the disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

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

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

  For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECL 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 ECL 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)

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:

Schedules forming part of Balance Sheet and Profit and Loss Account

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 after cooling off period (Refer Note 35.5.2.5.1) Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

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

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

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

D. WRITE-OFFS

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. 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 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.

E. DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 statement of profit or loss.

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

F. 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 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 asset carried at amortised cost 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 the Statement of Profit and Loss. 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 statement of profit or loss.

G. MEASUREMENT OF FAIR VALUES

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized 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).

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.

Schedules forming part of Balance Sheet and Profit and Loss Account

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

H. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Gain or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and recognized as income or expense in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of property, plant and equipment 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 property, plant and equipment. The estimates of useful lives of property, plant and equipment, based on a technical evaluation, are reviewed periodically, including at each financial year end. Estimated useful lives over which assets are depreciated are as follows:

Asset Type	**Useful life in years**
Premises	58
Leasehold Improvements	Overthe period of lease subject to a maximum of 6 years
Office Equipment	5
Computers	3
Furniture and Fixtures	6
Vehicles	4

Used property, plant and equipment purchased are depreciated over the residual useful life from the date of original purchase. For property, plant and equipment purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

Property, plant and equipment costing less than Rs.5,000 are fully depreciated in the year of purchase.

J. INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their estimated useful lives on a straight line basis, from the date they are available for use. Estimated useful life over which intangible assets are amortised are as follows:

Asset Type	Useful life in years
Software and System Development	3

K. BORROWING COST

Borrowing costs other than those directly attributable to qualifying Property, Plant and Equipment are recognised as an expense in the period in which they are incurred.

L. INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

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

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. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if:

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

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

M. EMPLOYEE BENEFITS

I. Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to the Statement of Profit and Loss when due.

II. The Company contributes up to 10% of eligible employees salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Company recognizes such contributions as an expense in the year when an employee renders the related service.

III. 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.

IV. 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 profit or 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

V. 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.

VI. 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 unit credit method as at the Balance Sheet date.

VII. As per the Company's 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 of Life Insurance of fellow subsidiary.

Schedules forming part of Balance Sheet and Profit and Loss Account

N. EMPLOYEE SHARE BASED PAYMENTS

Equity-settled scheme:

Equity-settled share-based payments made by the parent Company to the employees of the Company are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. Fair value determined at the grant date is reduced by payment, If any, made to the parent, is recognized as deemed contribution to equity from parent.

Cash-settled scheme:

The cost of cash-settled scheme (stock appreciation rights) is measured initially using fair value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This fair value is amortised on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in the Statement of Profit and Loss in 'Provision for Stock Appreciation Rights' under the head Employee Benefit Expense.

O. SEGMENTAL REPORTING

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

Company has four principal operating and reporting segments viz

- Commercial Real Estate
- Lending against securities and structured products
- Margin funding
- Treasury and investments

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to the Company as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

P. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were 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 period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but disclosed in the notes. Contingent assets are neither recognised nor disclosed in standalone financial statements.

R. 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 statement of profit or 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.

S. FINANCE LEASES AS A LESSOR

Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

Assets given under finance leases are recognised as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

T. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary 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

U. IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying values of assets 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.

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.

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. APPROACH ON EXEMPTIONS UNDER IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS):

The Company has adopted Ind AS with effect from 1st April 2018 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2017. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III – Division III.

The Company has elected to take the following exemption as per Ind AS 101 to facilitate transition from Indian GAAP ('previous GAAP') to Ind AS.

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. Derecognition of financial assets and financial liabilities

The Company has elected to apply derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after 1 April 2017.

Schedules forming part of Balance Sheet and Profit and Loss Account

III. Classification of financial assets

The Company has elected to classify the financial assets outstanding on the date of transition as per requirements in Ind AS 109 based on facts and circumstances available on 1 April 2017.

IV. Share based payment

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2017.

V. Investments in subsidiaries, associates and joint venture

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 2 CASH AND CASH EQUIVALENTS

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st,2018	As at April 01st, 2017
Balances with banks:			
- In Current Account	24,923.95	25,715.48	5,045.22
- In Fixed Deposits with Bank having original maturity less than 3 months	2,500.00	-	16,415.71
	27,423.95	**25,715.48**	**21,460.93**
Less: Impairment loss allowance	(5.35)	(5.01)	(4.18)
Total	**27,418.60**	**25,710.47**	**21,456.75**

NOTE 3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Fixed deposit with banks	22,803.23	10,380.79	10,364.98
	22,803.23	**10,380.79**	**10,364.98**
Less: Impairment loss allowance	(4.45)	(2.02)	(2.02)
Total	**22,798.78**	**10,378.77**	**10,362.96**

NOTE 4 RECEIVABLES

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
A. Trade receivables			
Unsecured, considered good	542.34	1,481.24	0.55
Less: Impairment loss allowance	(2.32)	(5.45)	-
Total (A)	**540.02**	**1,475.79**	**0.55**
B. Other receivables			
Unsecured, considered good	182.02	22.08	15.74
Less: Impairment loss allowance	(0.78)	(0.08)	(0.10)
Total (B)	**181.24**	**22.00**	**15.64**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 5 LOANS

(Amount in lakhs)

	Particulars	Amortised Cost	At Fair Value			Sub total	Total
			Through Other Comprehensive Income	Through profit or loss	Designated at fair value throug profit or loss		
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
	As at March 31st, 2019						
(A)	(i) Bills Purchased and Discounted	0.00	-	-	-	-	0.00
	(ii) Revolving Loan	521,489.90	-	-	-	-	521,489.90
	(iii) Term Loans	358,190.59	-	-	-	-	358,190.59
	Total Gross (A)	**879,680.49**	**-**	**-**	**-**	**-**	**879,680.49**
	Less: Impairment loss allowance	(5,470.22)				-	(5,470.22)
	Total Net (A)	**874,210.27**	**-**	**-**	**-**	**-**	**874,210.27**
(B)	(i) Secured by tangible assets	801,378.05				-	801,378.05
	(ii) Unsecured	78,302.44				-	78,302.44
	Total Gross (B)	**879,680.49**	**-**	**-**	**-**	**-**	**879,680.49**
	Less: Impairment loss allowance	(5,470.22)	-	-	-	-	(5,470.22)
	Total Net (B)	**874,210.27**	**-**	**-**	**-**	**-**	**874,210.27**
(C)(I)	Loans in India						
	(i) Public Sector	-	-	-	-	-	-
	(ii) Others	879,680.49	-	-	-	-	879,680.49
	Total Gross (C) (I)	**879,680.49**	**-**	**-**	**-**	**-**	**879,680.49**
	Less: Impairment loss allowance	(5,470.22)	-	-	-	-	(5,470.22)
	Total Net (C) (I)	**874,210.27**	**-**	**-**	**-**	**-**	**874,210.27**
	As at March 31st, 2018						
(A)	(i) Bills Purchased and Discounted	0.00	-	-	-	-	0.00
	(ii) Revolving Loan	464,428.07	-	-	-	-	464,428.07
	(iii) Term Loans	299,388.81	-	-	-	-	299,388.81
	Total Gross (A)	**763,816.88**	**-**	**-**	**-**	**-**	**763,816.88**
	Less: Impairment loss allowance	(2,695.00)	-	-	-	-	(2,695.00)
	Total Net (A)	**761,121.88**	**-**	**-**	**-**	**-**	**761,121.88**
(B)	(i) Secured by tangible assets	707,276.65				-	707,276.65
	(ii) Unsecured	56,540.23				-	56,540.23
	Total Gross (B)	**763,816.88**	**-**	**-**	**-**	**-**	**763,816.88**
	Less: Impairment loss allowance	(2,695.00)	-	-	-	-	(2,695.00)
	Total Net (B)	**761,121.88**	**-**	**-**	**-**	**-**	**761,121.88**
(C)(I)	Loans in India						
	(i) Public Sector	-	-	-	-	-	-
	(ii) Others	763,816.88	-	-	-	-	763,816.88
	Total Gross (C) (I)	**763,816.88**	**-**	**-**	**-**	**-**	**763,816.88**
	Less: Impairment loss allowance	(2,695.00)	-	-	-	-	(2,695.00)
	Total Net (C) (I)	**761,121.88**	**-**	**-**	**-**	**-**	**761,121.88**

Schedules forming part of Balance Sheet and Profit and Loss Account

As at April 01st, 2017							
(A)	(i) Bills Purchased and Discounted	2,007.47	-	-	-	-	2,007.47
	(ii) Revolving Loan	399,906.05	-	-	-	-	399,906.05
	(iii) Term Loans	276,399.44	-	-	-	-	276,399.44
	Total Gross (A)	**678,312.96**	**-**	**-**	**-**	**-**	**678,312.96**
	Less: Impairment loss allowance	(2,437.75)	-	-	-	-	(2,437.75)
	Total Net (A)	**675,875.21**	**-**	**-**	**-**	**-**	**675,875.21**
(B)	(i) Secured by tangible assets	624,667.60				-	624,667.60
	(ii) Unsecured	53,645.36				-	53,645.36
	Total Gross (B)	**678,312.96**	**-**	**-**	**-**	**-**	**678,312.96**
	Less: Impairment loss allowance	(2,437.75)	-	-	-	-	(2,437.75)
	Total Net (B)	**675,875.21**	**-**	**-**	**-**	**-**	**675,875.21**
(C)(I)	Loans in India						
	(i) Public Sector	-	-			-	-
	(ii) Others	678,312.96	-	-	-	-	678,312.96
	Total Gross (C) (I)	**678,312.96**	**-**	**-**	**-**	**-**	**678,312.96**
	Less: Impairment loss allowance	(2,437.75)	-	-	-	-	(2,437.75)
	Total Net (C) (I)	**675,875.21**	**-**	**-**	**-**	**-**	**675,875.21**
(C)(II)	Loans outside India	-	-	-	-	-	-
	Less: Impairment allowance	-	-	-	-	-	-
	Total Net (C) (II)	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 6 INVESTMENTS

(Amount in lakhs)

	Particulars	Amortised Cost	At Fair Value			Sub total	Others*	Total
			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
	As at March 31st, 2019							
(A)	Mutual funds	-	-	35,317.69	-	35,317.69	-	35,317.69
	Debt securities	50,079.84	3,844.22	-	-	3,844.22	-	53,924.06
	Equity instruments	-	-	65.87	-	65.87	-	65.87
	Associates	-	-	-	-	-	6,100.51	6,100.51
	Joint ventures	-	-	-	-	-	185.49	185.49
	Venture Fund	-	-	1,739.60	-	1,739.60	-	1,739.60
	Preference Share	-	-	3,993.90	-	3,993.90	-	3,993.90
	Total Gross (A)	**50,079.84**	**3,844.22**	**41,117.06**	**-**	**44,961.28**	**6,286.00**	**101,327.12**
(B)	(i) Investments outside India	-	-	-	-	-	-	-
	(ii) Investments in India	50,079.84	3,844.22	41,117.06	-	44,961.28	6,286.00	101,327.12
	Total (B)	**50,079.84**	**3,844.22**	**41,117.06**	**-**	**44,961.28**	**6,286.00**	**101,327.12**
	Less: Impairment allowance	(378.19)	-	-	-	-	-	(378.19)
	Total Net	**49,701.65**	**3,844.22**	**41,117.06**	**-**	**44,961.28**	**6,286.00**	**100,948.93**

Schedules forming part of Balance Sheet and Profit and Loss Account

	As at March 31st, 2018							
(A)	Mutual funds	-	-	38,557.34	-	38,557.34	-	38,557.34
	Debt securities	-	27,968.30	-	-	27,968.30	-	27,968.30
	Equity instruments	-	-	219.64	-	219.64	-	219.64
	Associates	-	-	-	-	-	6,100.51	6,100.51
	Joint ventures	-	-	-	-	-	185.49	185.49
	Venture Fund	-	-	1,802.87	-	1,802.87	-	1,802.87
	Preference Share	-	-	3,519.82	-	3,519.82	-	3,519.82
	Total Gross (A)	**-**	**27,968.30**	**44,099.67**	**-**	**72,067.97**	**6,286.00**	**78,353.97**
(B)	(i) Investments outside India	-	-	-	-	-	-	-
	(ii) Investments in India	-	27,968.30	44,099.67	-	72,067.97	6,286.00	78,353.97
	Total (B)	**-**	**27,968.30**	**44,099.67**	**-**	**72,067.97**	**6,286.00**	**78,353.97**
	Less: Impairment allowance	-	-	-	-	-	-	-
	Total Net	**-**	**27,968.30**	**44,099.67**	**-**	**72,067.97**	**6,286.00**	**78,353.97**

	As at April 01st, 2017							
(A)	Mutual funds	-	-	30,008.34	-	30,008.34	-	30,008.34
	Debt securities	-	24,798.94	-	-	24,798.94	-	24,798.94
	Equity instruments	-	-	224.24	-	224.24	-	224.24
	Associates	-	-	-	-	-	6,100.51	6,100.51
	Joint ventures	-	-	-	-	-	201.91	201.91
	Venture Fund	-	-	1,861.16	-	1,861.16	-	1,861.16
	Total Gross (A)	**-**	**24,798.94**	**32,093.74**	**-**	**56,892.68**	**6,302.42**	**63,195.10**
(B)	(i) Investments outside India	-	-	-	-	-	-	-
	(ii) Investments in India	-	24,798.94	32,093.74	-	56,892.68	6,302.42	63,195.10
	Total (B)	**-**	**24,798.94**	**32,093.74**	**-**	**56,892.68**	**6,302.42**	**63,195.10**
	Less: Impairment allowance	-	-	-	-	-	-	-
	Total Net	**-**	**24,798.94**	**32,093.74**	**-**	**56,892.68**	**6,302.42**	**63,195.10**

**Investments in Joint Ventures and Associates have been measured at carrying cost as per the exemption available under Ind AS 101. Refer Note 39A.*

NOTE 7 OTHER FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Other deposits	110.62	0.17	0.17
Less: Impairment loss allowance	(0.47)	-	-
Total	**110.15**	**0.17**	**0.17**

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

(Amount in Lakhs)

Particulars	Buildings*	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Deemed cost as on April 01st, 2017	7.61	-	110.90	5.92	16.86	141.29
Additions during the year	-	-	-	-	6.47	6.47
Disposals during the year	-	-	(14.67)	-	(0.39)	(15.06)
At cost as on March 31st, 2018	**7.61**	**-**	**96.23**	**5.92**	**22.94**	**132.70**
Accumulated depreciation and impairment as on April 01st, 2017	-	-				-
Depreciation for the year	0.18	-	49.51	1.50	10.89	62.08
Disposals during the year	-	-	(4.15)	-	(0.03)	(4.18)
Accumulated depreciation and impairment as on March 31st, 2018	0.18	-	45.36	1.50	10.86	57.90
Net carrying amount as on March 31st, 2018	**7.43**	**-**	**50.87**	**4.42**	**12.08**	**74.80**
At cost as on March 31st, 2018	7.61	-	96.23	5.92	22.94	132.70
Additions during the year	-	-	188.08	-	20.65	208.73
Disposals during the year	-	-	(23.06)	-	(0.28)	(23.34)
At cost as on March 31st, 2019	**7.61**	**-**	**261.25**	**5.92**	**43.31**	**318.09**
Accumulated depreciation and impairment as on March 31st, 2018	**0.18**	**-**	**45.36**	**1.50**	**10.86**	**57.90**
Depreciation for the year	0.18	-	65.02	1.49	12.88	79.57
Disposals during the year	-	-	(17.82)	-	(0.28)	(18.10)
Accumulated depreciation and impairment as on March 31st, 2019	**0.36**	**-**	**92.56**	**2.99**	**23.46**	**119.37**
Net carrying amount as on March 31st, 2019	**7.25**	**-**	**168.69**	**2.93**	**19.85**	**198.72**

**Mortgaged in favour of the Debenture Trustee by way of a first and pari passu charge for Non-Convertible Debentures and Deep Discount Debentures.*

The Company has availed deemed cost exemption as per IND AS 101 in relation to property, plant and equipment. On transition to Ind AS, the Company has elected to continue with carrying value of all its property, plant and equipment recognized as at April 01st, 2017, measured as per previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment. Refer note below for the gross block value and the accumulated depreciation on April 01st, 2017 under the previous GAAP.

Particulars	Buildings	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross Block	10.26	1.28	272.33	12.17	62.81	358.85
Accumulated Depreciation	(2.65)	(1.28)	(161.43)	(6.25)	(45.95)	(217.56)
Net Block	7.61	-	110.90	5.92	16.86	141.29

Impairment loss and reversal of impairment loss

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

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 9 OTHER INTANGIBLE ASSETS

(Amount in lakhs)

Particulars	Software and System Development	Total
Deemed cost as at April 01st, 2017	**6.60**	**6.60**
Additions during the year	23.00	23.00
Disposals during the year	-	-
Balance as at March 31st, 2018	**29.60**	**29.60**
Accumulated Amortization and impairment as at April 01st, 2017		
Amortization for the year	8.49	8.49
Disposals during the year		-
Accumulated Amortization and impairment as at March 31st, 2018	**8.49**	**8.49**
Net carrying amount as at March 31st, 2018	**21.11**	**21.11**
Balance as at April 1, 2018	**29.60**	**29.60**
Additions during the year	3.55	3.55
Disposals during the year	-	-
Balance as at March 31st, 2019	**33.15**	**33.15**
Accumulated Amortization and impairment as at April 1, 2018	**8.49**	**8.49**
Amortization for the year	8.43	8.43
Disposals during the year	-	-
Accumulated Amortization and impairment as March 31st, 2019	**16.92**	**16.92**
Net carrying amount as at March 31st, 2019	**16.23**	**16.23**

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

Particulars	Software and System Development	Total
Gross Block	23.22	23.22
Accumulated Amortization	(16.62)	(16.62)
Net Block	6.60	6.60

Impairment loss and reversal of impairment loss

There is no impairment loss for intangible assets.

NOTE 10 OTHER NON-FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Prepaid expenses	70.53	71.32	20.80
GST/Service Tax input receivable	240.70	129.03	-
Advances to employees	-	4.02	0.20
Total	**311.23**	**204.37**	**21.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 11 PAYABLES

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
(A) 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	526.46	951.40	165.19
Total (A)	**526.46**	**951.40**	**165.19**
(B) 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	378.29	138.05	191.54
Total (B)	**378.29**	**138.05**	**191.54**
Total	**904.74**	**1,089.46**	**356.73**

NOTE 12 DEBT SECURITIES

(Amount in lakhs)

Particulars	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	**(2)**	**(3)**	**(4 = 1+2+3)**
As at March 31st, 2019				
Debentures				**-**
- Redeemable Non-Convertible Debentures, fully paid, privately placed, Secured	103,695.59	-	-	103,695.59
- Deep Discount, Non-Convertible Debentures, privately placed, Secured	194,082.09	-	-	194,082.09
Total (A)	**297,777.68**	**-**	**-**	**297,777.68**
Debt securities in India	297,777.68	-	-	297,777.68
Debt securities outside India	-	-	-	-
Total (B)	**297,777.68**	**-**	**-**	**297,777.68**
As at March 31st, 2018				
Debentures				**-**
- Redeemable Non-Convertible Debentures, fully paid, privately placed, Secured	127,205.68	-	-	127,205.68
- Deep Discount, Non-Convertible Debentures, privately placed, Secured	36,691.81	-	-	36,691.81
Total (A)	**163,897.49**	**-**	**-**	**163,897.49**
Debt securities in India	163,897.49	-	-	163,897.49
Debt securities outside India	-	-	-	-
Total (B)	**163,897.49**	**-**	**-**	**163,897.49**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
As at April 01st, 2017				
Debentures				-
- Redeemable Non-Convertible Debentures, fully paid, privately placed, Secured	119,386.46	-	-	119,386.46
- Deep Discount, Non-Convertible Debentures, privately placed, Secured	76,190.43	-	-	76,190.43
Total (A)	**195,576.89**	**-**	**-**	**195,576.89**
Debt securities in India	195,576.89	-	-	195,576.89
Debt securities outside India	-	-	-	-
Total (B)	**195,576.89**	**-**	**-**	**195,576.89**

Debentures are redeemable at par / premium. The Non-Convertible Debentures and Deep Discount Debentures are secured by way of a first and pari passu mortgage in favour of the Debenture Trustee on the Company's immovable property of Rs 10.26 lakhs (gross value) and further secured by way of hypothecation / mortgage of charged assets such as receivables arising out of loan, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares)

Interest and Repayment terms of Debt Securities-

(Amount in lakhs)

1) Non Convertible Debentures	As at March 31st, 2019			As at March 31st, 2018			As at 01st April, 2017		
	Interest Rate Range (%)	Balance Outstanding	Face value/ Redemption value	Interest Rate Range (%)	Balance Outstanding	Face value/ Redemption value	Interest Rate Range (%)	Balance Outstanding	Face value/ Redemption value
Residual Maturity, Fixed Interest Rate; Repayable at Maturity									
A) Debentures									
Mar-21	8.84%	20,067.84	20,000.00	-	-	-	-	-	-
Apr-20	9.39%	5,188.34	5,000.00	-	-	-	-	-	-
Feb-20	9.34%	20,650.59	20,000.00	-	-	-	-	-	-
Jan-20	7.99%	20,407.24	20,000.00	7.99%	20,407.24	20,000.00	-	-	-
Oct-19	7.59%	29,903.81	29,000.00	7.59%	29,789.14	29,000.00	-	-	-
Jul-19	7.71%	3,166.11	3,100.00	7.71%	3,164.20	3,100.00	-	-	-
Apr-19	7.90%	4,311.66	4,000.00	7.90%	4,309.57	4,000.00	-	-	-
Feb-19	-	-	-	8.63% - 8.73%	25,207.95	25,000.00	7.99%	20,012.03	20,000.00
Sep-18	-	-	-	-	10,416.85	10,000.00	7.80%	10,096.20	10,000.00
Aug-18	-	-	-	8.73%	3,608.47	2,900.00	8.73%	3,318.87	2,900.00
Jun-18	-	-	-	7.6487% - 7.99%	27,610.30	25,000.00	7.65%- 8.73%	26,195.04	25,000.00
May-18	-	-	-	7.77%	2,691.96	2,500.00	8.63%	2,690.67	2,500.00
Mar-18	-	-	-	-	-	-	8.06%	7,528.14	7,500.00
Jan-18	-	-	-	-	-	-	8.34%	2,639.89	2,500.00
Dec-17	-	-	-	-	-	-	8.67%	11,284.65	11,000.00

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

1) Non Convertible Debentures	As at March 31st, 2019			As at March 31st, 2018			As at 01st April, 2017		
	Interest Rate Range (%)	Balance Outstanding	Face value/ Redemption value	Interest Rate Range (%)	Balance Outstanding	Face value/ Redemption value	Interest Rate Range (%)	Balance Outstanding	Face value/ Redemption value
Oct-17	-	-	-	-	-	-	8.64%	536.10	500.00
Sep-17	-	-	-	-	-	-	8.7% - 8.9%	7,865.11	7,500.00
Aug-17	-	-	-	-	-	-	8.70%	2,634.92	2,500.00
Jul-17	-	-	-	-	-	-	8.63% - 8.8592%	6,969.56	6,100.00
May-17	-	-	-	-	-	-	8.41% - 8.85%	3,661.49	3,500.00
Apr-17	-	-	-	-	-	-	8.70% - 8.86%	13,953.79	12,250.00
Total (A)		**103,695.59**	**101,100.00**		**127,205.68**	**121,500.00**		**119,386.46**	**113,750.00**
B) Deep Discount Debentures									
Residual Maturity, Fixed Interest Rate; Repayable at Maturity									
Apr-22	8.85% to 9.50%	5,481.74	7,130.00	-	-	-	-	-	-
Sep-21	9.50%	5,127.46	6,410.00	-	-	-	-	-	-
Jan-21	8.45%	5,064.80	5,880.00	-	-	-	-	-	-
Jun-21	8.60%	759.80	910.00	8.60%	699.69	910.00	8.60%	644.26	909.99
May-21	8.55%	5,458.10	6,500.00	0.00%	-	-	0.00%	-	-
Aug-20	7.95% to 8.80%	17,221.15	19,290.00	7.95%	1,077.98	1,290.00	7.95%	998.55	1,289.99
Jul-20	8.90% to 9.35%	23,391.89	26,233.65	0.00%	-	-	0.00%	-	-
Jun-20	9.45%	2,582.75	2,890.00	0.00%	-	-	0.00%	-	-
May-20	8.10% to 9.45%	28,743.24	31,580.00	0.00%	-	-	0.00%	-	-
Mar-20	8.75%	21,242.46	23,000.00	0.00%	-	-	0.00%	-	-
Jan-20	8.71% to 9.30%	20,975.46	22,500.00	0.00%	-	-	0.00%	-	-
Jul-19	8.70% to 8.80%	52,280.34	53,710.00	0.00%	-	-	0.00%	-	-
May-19	7.85%	5,752.90	5,815.81	7.85%	5,332.85	5,000.00	-	-	-
Nov-18	-	-	-	8.03%	11,163.32	7,500.00	7.96%	10,334.68	11,699.90
Aug-18	-	-	-	7.96%	7,294.68	11,700.00	8.03%	6,748.66	7,499.94
Jul-18	-	-	-	7.96%	11,123.29	11,400.00	7.96%	10,303.67	11,400.18
Feb 18	-	-	-	-	-	-	7.97% - 8%	10,285.65	11,000.00
Dec 17	-	-	-	-	-	-	7.50%	513.67	540.00
Oct 17	-	-	-	-	-	-	9.57%	3,366.93	3,530.00
Sep 17	-	-	-	-	-	-	8.61%	9,639.88	10,000.00
Jul -17	-	-	-	-	-	-	8.70%	14,585.97	15,000.00
May 17	-	-	-	-	-	-	8.72%	4,931.87	5,000.00
Apr 17	-	-	-	-	-	-	8.95%	3,836.64	3,850.00
Total (B)		**194,082.09**	**211,849.46**		**36,691.81**	**37,800.00**		**76,190.43**	**81,720.00**
Total (A+B)		**297,777.68**	**312,949.46**		**163,897.49**	**159,300.00**		**195,576.89**	**195,470.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 13 BORROWINGS OTHER THAN DEBT SECURITIES

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
At Amortised Cost			
(a) Inter corporate deposits	43,885.51	93,024.39	47,581.24
(b) Commercial paper	479,998.13	425,655.92	381,282.10
(c) Overdraft facility from banks	25,942.63	35,058.95	22,003.36
Total (A)	**549,826.27**	**553,739.26**	**450,866.70**
Borrowings in India	549,826.27	553,739.26	450,866.70
Borrowings outside India	-	-	-
Total (B)	**549,826.27**	**553,739.26**	**450,866.70**
Secured Borrowings	25,942.63	35,058.95	22,003.36
Unsecured Borrowings	523,883.64	518,680.31	428,863.34
Total (C)	**549,826.27**	**553,739.26**	**450,866.70**

Overdraft facilities are secured by way of First, pari pasu,non exclusive charge on receivables, book debts, current assets and investments of company in favour of the Trustees. Commercial Paper and Inter Corporate Deposits are unsecured.

Interest and Repayment terms of borrowings -

(Amount in lakhs)

Residual Maturity,	As at March 31st, 2019			As at March 31st, 2018			As at 01st April, 2017		
	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value
A. Cash credit									
0-1 year	MCLR + spread upto 30 basis point	25,942.63	25,986.65	MCLR + spread upto 50 basis point	35,058.95	34,981.08	MCLR + spread upto 50 basis point	22,003.36	22,000.00
Total (A)		**25,942.63**	**25,986.65**		**35,058.95**	**34,981.08**		**22,003.36**	**22,000.00**
Commercial Paper									
Mar-20	8.07% to 8.50%	9,854.29	10,600.00	-	-	-	-	-	-
Feb-20	8.50% to 8.97%	45,854.16	49,300.00	-	-	-	-	-	-
Jan-20	8.75% to 8.85%	31,666.31	33,800.00	-	-	-	-	-	-
Dec-19	8.62% to 9.00%	43,316.67	46,000.00	-	-	-	-	-	-
Nov-19	8.18% to 9.25%	34,300.25	36,100.00	-	-	-	-	-	-
Oct-19	9.25%	10,499.43	11,000.00	-	-	-	-	-	-
Sep-19	8.55% to 9.15%	48,087.62	50,000.00	-	-	-	-	-	-
Aug-19	8.55% to 9.18%	57,684.34	59,550.00	-	-	-	-	-	-
Jul-19	8.65%	12,229.95	12,500.00	-	-	-	-	-	-
Jun-19	8.45% to 7.72%	63,909.70	65,000.00	-	-	-	-	-	-
May-19	7.65% to 9.10%	75,832.76	76,600.00	-	-	-	-	-	-
Apr-19	7.85% to 8.65%	46,762.65	47,000.00	-	-	-	-	-	-
Mar-19	-	-	-	7.80%	2,320.85	2,500.00	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Residual Maturity,	As at March 31st, 2019			As at March 31st, 2018			As at 01st April, 2017		
	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value
Feb-19	-	-	-	8.10% to 8.20%	41,520.53	44,500.00	-	-	-
Jan-19	-	-	-	7.7% to 8.10%	52,221.77	55,500.00	-	-	-
Dec-18	-	-	-	7.70% to 7.90%	13,728.08	14,500.00	-	-	-
Oct-18	-	-	-	7.23% to 7.95%	27,411.89	28,500.00	-	-	-
Sep-18	-	-	-	7.05% to 7.95%	44,479.53	46,000.00	-	-	-
Aug-18	-	-	-	7.00% to 8.00%	58,451.86	60,000.00	-	-	-
Jul-18	-	-	-	7.00% to 7.90%	59,724.45	61,000.00	-	-	-
Jun-18	-	-	-	6.98% to 7.65%	42,881.78	43,500.00	-	-	-
May-18	-	-	-	7.01% to 7.60%	51,016.90	51,500.00	-	-	-
Apr-18	-	-	-	7.12% to 7.38%	31,898.28	32,000.00	-	-	-
Mar-18	-	-	-	-	-	-	7.30% to 7.60%	12,145.07	13,000.00
Feb-18	-	-	-	-	-	-	7.45% to 7.60%	26,770.24	28,500.00
Jan-18	-	-	-	-	-	-	7.25% to 7.60%	24,156.62	25,600.00
Dec-17	-	-	-	-	-	-	7.13% to 7.55%	38,479.98	40,500.00
Nov-17	-	-	-	-	-	-	6.83% to 7.90%	19,310.46	20,190.00
Oct-17	-	-	-	-	-	-	6.96% to 7.60%	39,621.88	41,120.00
Sep-17	-	-	-	-	-	-	7.35% to 7.90%	24,920.52	25,775.00
Aug-17	-	-	-	-	-	-	7.20% to 7.90%	42,188.61	43,400.00
Jul-17	-	-	-	-	-	-	7.30% to 8.40%	30,936.97	31,660.00
Jun-17	-	-	-	-	-	-	6.75% to 8.75%	30,948.89	31,500.00
May-17	-	-	-	-	-	-	6.75% to 8.59%	49,272.59	49,740.00
Apr-17	-	-	-	-	-	-	6.75% to 8.50%	42,530.27	42,700.00
Total (B)		**479,998.13**	**497,450.00**		**425,655.92**	**439,500.00**		**381,282.10**	**393,685.00**
Intercorporate Deposits									
Feb 19	-	-	-	8.15%	5,056.93	5,000.00	-	-	-
Jan 19	-	-	-	8.10%	503.25	500.00	-	-	-
Dec 18	-	-	-	7.81%	10,193.37	10,000.00	-	-	-
Nov 18	-	-	-	7.35%	512.77	500.00	-	-	-
Oct 18	-	-	-	7.45% to 7.85%	6,022.07	6,000.00	-	-	-
Sep 18	-	-	-	7.25% to 7.35%	14,382.07	14,000.00	-	-	-
May 18	-	-	-	7.25% to 7.35%	20,690.04	20,000.00	-	-	-
Apr 18	-	-	-	7.10% TO 7.35%	33,098.08	32,000.00	-	-	-
Oct 17	-	-	-	-	-	-	7.40%	1,002.72	1,000.00
Sep 17	-	-	-	-	-	-	7.25%	2,510.54	2,500.00
Aug 17	-	-	-	-	-	-	7.40%	1,510.13	1,500.00

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Residual Maturity,	As at March 31st, 2019			As at March 31st, 2018			As at 01st April, 2017		
	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value
Jul 17	-	-	-	-	-	-	7.30% to 8.40%	11,723.27	11,500.00
Jun 17	-	-	-	-	-	-	8.45% to 8.60%	6,397.73	6,000.00
May 17	-	-	-	-	-	-	6.75%	511.26	500.00
Apr 17	-	-	-	-	-	-	7.50% to 8.97%	6,368.03	6,225.00
Feb-18	-	-	-	-	-	-	8.05-8.15%	4,293.79	4,100.00
Jan-18	-	-	-	-	-	-	8.05%	938.18	900.00
Nov 19	7.65% to 8.35%	3,215.67	3,000.00	7.65%	2,565.81	2,500.00	-	-	-
Apr 20	-	-	-	-	-	-	6.75%	10,771.38	10,700.00
Mar 19	-	-	-	-	-	-	6.75%	1,554.21	1,550.00
Feb-20	8.40%	504.95	500.00	-	-	-	-	-	-
Jan-20	8.75%	2,031.89	2,000.00	-	-	-	-	-	-
Dec-19	8.85%	511.76	500.00	-	-	-	-	-	-
Oct-19	9.00% to 9.10%	2,076.90	2,000.00	-	-	-	-	-	-
Sep-19	8.90% to 9.15%	5,105.27	4,900.00	-	-	-	-	-	-
Aug-19	8.40%	209.75	200.00	-	-	-	-	-	-
Jul-19	8.50%	1,055.49	1,000.00	-	-	-	-	-	-
Jun-19	8.00% to 8.55%	5,253.42	5,100.00	-	-	-	-	-	-
May-19	8.15% to 8.50%	1,743.20	1,650.00	-	-	-	-	-	-
Apr-19	7.85% to 8.60%	22,177.21	21,100.00	-	-	-	-	-	-
Total (C)		**43,885.51**	**41,950.00**		**93,024.39**	**90,500.00**		**47,581.24**	**46,475.00**
Total (A+B+C)		**549,826.27**	**565,386.65**		**553,739.26**	**564,981.08**		**450,866.70**	**462,160.00**

NOTE 14 SUBORDINATED LIABILITIES

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
At Amortised Cost			
Redeemable Non-Convertible Subordinated Debt Bonds in form of Debentures, fully paid, privately placed, Unsecured	20,239.09	20,237.25	20,235.33
Total (A)	**20,239.09**	**20,237.25**	**20,235.33**
Subordinated liabilities in India	20,239.09	20,237.25	20,235.33
Subordinated liabilities outside India	-	-	-
Total (B)	**20,239.09**	**20,237.25**	**20,235.33**

Schedules forming part of Balance Sheet and Profit and Loss Account

interest and repayment terms of subordinate liabilities -

(Amount in lakhs)

1) Non Convertible Debentures - Subordinated Debts	As at March 31st, 2019			As at March 31st, 2018			As at 01st April, 2017		
	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value	Interest Rate Range (%)	Balance Outstanding	Face value
Residual Maturity, Fixed Interest Rate; Repayable at Maturity									
Mar-27	8.55%	10,018.74	10,000.00	8.55%	10,018.74	10,000.00	8.55%	10,018.74	10,000.00
Dec-26	8.35%	5,108.16	5,000.00	8.35%	5,107.55	5,000.00	8.35%	5,106.86	5,000.00
Dec-25	9.00%	5,112.19	5,000.00	9.00%	5,110.96	5,000.00	9.00%	5,109.73	5,000.00
Total		**20,239.09**	**20,000.00**		**20,237.25**	**20,000.00**		**20,235.33**	**20,000.00**

NOTE 15 OTHER FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
(a) Employee benefits payable	207.69	292.15	306.84
Total	**207.69**	**292.15**	**306.84**

NOTE 16 PROVISIONS

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Provision for employee benefits			
(i) Gratuity	204.76	178.43	145.78
(ii) Compensated absences	125.73	99.13	102.45
(iii) Stock appreciation rights (SARs)	156.70	114.65	138.49
(iv) Long Service Award	5.04	4.46	5.14
Total	**492.23**	**396.67**	**391.86**

NOTE 17 OTHER NON-FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Statutory dues payable	851.69	392.80	142.58
Others non financial liabilities	458.61	0.60	5.52
Total	**1,310.30**	**393.40**	**148.10**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 18 EQUITY SHARE CAPITAL

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Authorised			
5,80,00,000 (March 31st, 2018: 5,80,00,000, April 01st, 2017 : 5,80,00,000) equity shares of Rs.10 each with voting rights	5,800.00	5,800.00	5,800.00
1,200(March 31st, 2018: 1,200, April 01st, 2017 : 1,200) Non Cumulative redeemable preference shares of Rs.1,00,000 each	1,200.00	1,200.00	1,200.00
Issued, subscribed and paid up			
56,22,878 (March 31st, 2018: 56,22,878, April 01st, 2017 : 51,68,033) equity shares of Rs.10 each fully paid up with voting rights	562.26	562.26	516.80

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

(Amount in lakhs)

Particulars	No. of shares	Amount
Equity shares of Rs 10 each, fully paid-up		
As at April 01st, 2017	5,168,033	516.80
Add/(less) : Movement during the year	454,545	45.46
As at March 31st, 2018	**5,622,578**	**562.26**
Add/(less) : Movement during the year	-	-
As at March 31st, 2019	**5,622,578**	**562.26**

b. **Rights, preferences and restrictions attached to equity shares**

(i) The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. **Details of shares held by holding company and its subsidiaries**

Particulars	As at March 31st, 2019		As at March 31st, 2018		As at April 01st, 2017	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Equity shares with voting rights						
Kotak Mahindra Bank Limited, the holding company	5,622,578	100.00%	5,622,578	100.00%	5,168,033	100.00%
	5,622,578	**100.00%**	**5,622,578**	**100.00%**	**5,168,033**	**100.00%**

d. **Details of shares held by each shareholder holding more than 5% shares in the company**

Particulars	As at March 31st, 2019		As at March 31st, 2018		As at April 01st, 2017	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Equity shares with voting rights						
Kotak Mahindra Bank Limited	5,622,578	100.00%	5,622,578	100.00%	5,168,033	100.00%
	5,622,578	**100.00%**	**5,622,578**	**100.00%**	**5,168,033**	**100.00%**

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 19 OTHER EQUITY

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Capital redemption reserve	1,003.85	1,003.85	1,003.85
Securities Premium	33,545.76	33,545.76	23,591.22
General Reserve	431.10	431.10	431.10
Special Reserve	24,290.09	20,150.20	15,250.20
Retained Earnings	97,304.35	81,415.87	61,824.91
Capital Contribution from Parent	298.29	178.38	101.05
Debt instruments through OCI	24.35	497.42	756.18
Total	**156,897.79**	**137,222.58**	**102,958.51**

Note 19.1 Nature and purpose of reserve
Capital redemption reserve

Capital redemption reserve is created on redemption of preference share capital. Capital redemption reserve includes transfer from General reserve on redemption of preference 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.

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Special Reserve

Special reserve represents appropriation of retained earning as per Section 45 IC of the Reserve Bank of India Act, 1934. Transfer to Special reserve for the year ended March 31st, 2018 and April 01st, 2017 are based on previous GAAP reported numbers.

Retained Earnings

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

Capital Contribution from Parent

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

Debt instruments through OCI

The company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 19.2 Other equity movement

(Amount in lakhs)

Particulars	As at March 31st, 2019	As at March 31st, 2018
(i) Capital Redemption Reserve		
Opening balance	1,003.85	1,003.85
Addition/Deletion during the year	-	-
Closing balance	**1,003.85**	**1,003.85**
(ii) Securities premium		
Opening balance	33,545.76	23,591.22
Addition during the year	-	9,954.54
Closing balance	**33,545.76**	**33,545.76**
(iii) General reserve		
Opening balance	431.10	431.10
Addition/Deletion during the year	-	-
Closing balance	**431.10**	**431.10**
(iv) Special reserve		
Opening balance	20,150.20	15,250.20
Transfer from Retained earning	4,139.89	4,900.00
Closing balance	**24,290.09**	**20,150.20**
(vi) Retained earnings		
Opening balance	81,415.87	61,824.91
Net profit for the year	20,058.01	24,508.53
Less : Other Comprehensive Income for the year	(29.63)	(17.57)
Less : Transferred to Special Reserve under section 45IC of Reserve Bank of India, Act 1934	(4,139.89)	(4,900.00)
Closing balance	**97,304.36**	**81,415.87**
(v) Capital contribution from parent		
Opening balance	178.38	101.05
Addition/Deletion during the year	119.91	77.33
Closing balance	**298.29**	**178.38**
(vi) Debt instruments through OCI		
Opening balance	497.42	756.18
Addition/Deletion during the year	(473.07)	(258.76)
Closing balance	**24.35**	**497.42**

Schedules forming part of Balance Sheet and Profit and Loss Account

Note 20 INTEREST INCOME

(Amount in Lakhs)

Particulars	For the year ended March 31st, 2019				For the year ended March 31st, 2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total Interest Income	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total Interest Income
(i) Interest on loans	-	87,309.64	-	87,309.64	-	76,435.33	-	76,435.33
(ii) Interest income from investments	1,481.14	1,634.64	-	3,115.78	3,617.19	-	-	3,617.19
(iii) Interest on deposits with banks	-	1,111.44	-	1,111.44	-	1,444.08	-	1,444.08
Total	**1,481.14**	**90,055.72**	**-**	**91,536.86**	**3,617.19**	**77,879.41**	**-**	**81,496.60**

NOTE 21 DIVIDEND INCOME

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
i) Dividend income on investments	71.85	0.02
ii) Income distribution from Venture Fund	54.09	22.33
Total	**125.94**	**22.35**

NOTE 22 FEES AND COMMISSION INCOME

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
i) Advisory Fees	557.89	1,089.60
Total	**557.89**	**1,089.60**

NOTE 23 NET GAIN/ (LOSS) ON FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE *

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
(ii) Others		
- Mutual fund	3,228.94	3,372.48
- Equity Shares	136.90	(4.60)
- Preference Shares	474.08	19.82
- Venture fund	(48.85)	4,630.82
(B) Others		
- Net gain/(Loss) on financial assets at FVOCI	(63.03)	-
Total Net gain/(loss) on fair value changes	**3,728.04**	**8,018.52**
Fair value changes:		
- Realised	3,205.56	7,988.18
- Unrealised	522.48	30.34
Total Net gain/(loss) on fair value changes	**3,728.04**	**8,018.52**

** Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.*

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 24 OTHER INCOME

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Net gain/(loss) on derecognition of property, plant and equipment	15.71	9.09
Liabilities/provisions no longer required written back	-	26.87
Others	193.80	193.81
Total	**209.51**	**229.77**

NOTE 25 FINANCE COSTS

(Amount in Lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total finance Costs	on financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total finance Costs
(i) Interest on borrowings						
- On Overdraft facility from Bank	-	1,055.33	1,055.33	-	237.15	237.15
- Discount on Commercial Papers	-	32,152.46	32,152.46	-	29,027.62	29,027.62
- On Inter Corporate Deposits	-	5,383.18	5,383.18	-	4,298.87	4,298.87
(ii) Interest on debt securities						
- on Redeemable Non-Convertible Debentures and Deep Discount Debentures	-	16,129.16	16,129.16	-	13,408.81	13,408.81
(iii) Interest on subordinated liabilities	-	1,721.87	1,721.87	-	1,722.50	1,722.50
(iv) Other interest expense	-	499.82	499.82	-	390.84	390.84
Total	**-**	**56,941.82**	**56,941.82**	**-**	**49,085.79**	**49,085.79**

NOTE 26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
On Financial instruments measured at fair value through OCI		
(i) Investments	(344.76)	14.04
On Financial instruments measured at Amortised Cost		
(i) Loans and other financial assets	2,580.88	121.23
(ii) Investments	378.19	-
Total	**2,614.31**	**135.27**

NOTE 27 EMPLOYEE BENEFITS EXPENSES

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Salaries and wages	2,294.68	2,320.56
Contribution to provident and other funds	111.99	155.17
Stock Appreciation Rights	158.57	111.39
ESOP Expenses	119.91	77.33
Staff welfare expenses	41.36	24.28
Total	**2,726.51**	**2,688.73**

NOTE 28 OTHER EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Rent, taxes and energy costs	951.88	814.80
Repairs and maintenance	96.59	113.99
Communication Costs	25.52	16.27
Printing and stationery	33.45	24.65
Advertisement and business promotion expenses	22.30	26.63
Director's fees, allowances and expenses	36.30	18.60
Auditors' fees and expenses (Refer Note 32)	49.61	31.91
Legal and Professional charges	450.35	216.03
Insurance	5.96	4.61
Travelling and Conveyance	196.25	81.76
Common Establishment Expenses	780.54	734.17
Expenses on Corporate Social Responsibility	246.00	40.00
Miscellaneous Expenses	53.27	37.76
Total	**2,948.02**	**2,161.18**

NOTE 29 TAX EXPENSE AND RELATED BALANCES

(a) Amounts recognised in statement of profit and loss

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Current tax expense		
Current period	11,294.93	12,450.69
Total current tax expense (A)	**11,294.93**	**12,450.69**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(513.36)	(243.92)
Deferred tax expense (B)	(513.36)	(243.92)
Total tax expense for the year (A) + (B)	**10,781.57**	**12,206.77**

Schedules forming part of Balance Sheet and Profit and Loss Account

(b) Amounts recognised in other comprehensive income

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019			For the year ended March 31st, 2018		
	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)	(45.57)	15.93	(29.64)	(27.00)	9.43	(17.57)
Items that will be reclassified to profit or loss						
(a) Debt instruments through other comprehensive income	(727.17)	254.10	(473.07)	(391.78)	133.02	(258.76)
Total	**(772.74)**	**270.03**	**(502.71)**	**(418.78)**	**142.45**	**(276.33)**

(c) Reconciliation of effective tax rate

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019		For the year ended March 31st, 2018	
	Amount	% terms	Amount	% terms
Profit before tax as per Statement of profit and loss	**30,839.58**		**36,715.30**	
Tax using the Company's domestic tax rate	10,776.59	34.94%	12,706.61	34.61%
Tax effect of:				
Tax exempt income	(25.11)	-0.08%	-	0.00%
Non-deductible expenses	114.23	0.37%	56.71	0.15%
Difference in tax rate	(45.38)	-0.15%	(520.06)	-1.42%
Changes in estimates related to prior years	-	0.00%	(38.40)	-0.10%
Others	(38.76)	-0.13%	1.91	0.01%
Total tax expense	**10,781.57**	**34.96%**	**12,206.77**	**33.25%**

(d) Movement in deferred tax balances

(Amount in lakhs)

Particulars	As at March 31st, 2019					
	Net balance March 31st, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset (net)
Deferred tax asset/(liabilities)						
Property, plant and equipment	50.27	2.84	-	-	2.84	53.11
Loans	2,262.26	506.26	-	-	506.26	2,768.51
Equity-settled share-based payments	38.60	15.99	-	-	15.99	54.58
Employee benefits	96.53	3.03	15.93	-	18.96	115.49
Investments at fair value through OCI	(142.81)	11.68	254.10	-	265.78	122.97
Investments at fair value through profit or loss	(454.77)	(15.79)	-	-	(15.79)	(470.56)
Others	23.39	(10.65)	-	-	(10.65)	12.74
Total	**1,873.47**	**513.36**	**270.03**	**-**	**783.39**	**2,656.84**

Schedules forming part of Balance Sheet and Profit and Loss Account

Particulars	As at March 31st, 2018					
	Net balance April 01st, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset
Deferred tax asset/(liabilities)						
Property, plant and equipment	44.75	5.52	-	-	5.52	50.27
Loans	2,022.26	239.99	-	-	239.99	2,262.26
Equity-settled share-based payments	47.49	(8.90)	-	-	(8.90)	38.60
Employee benefits	85.91	1.19	9.43	-	10.62	96.53
Investments at fair value through OCI	(281.89)	6.06	133.02	-	139.08	(142.81)
Investments at fair value through profit or loss	(436.68)	(18.09)	-	-	(18.09)	(454.77)
Others	5.24	18.15	-	-	18.15	23.39
Total	**1,487.08**	**243.92**	**142.45**	**-**	**386.37**	**1,873.47**

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

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

(e) Tax Balances

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Current Tax Assets (Net)	472.90	191.93	3.54
(Net of Provision of March 31st, 2019 Rs.22,222.64 lakhs , March 31st, 2018 Rs. 9715.88 lakhs, April 1st, 2017 Rs.Nil)			
Current Tax Liabilities (Net)	1,651.85	1,598.22	1,208.13
(Net of Advance Tax of March 31st, 2019 Rs. 25859.45 lakhs, March 31st, 2018 Rs. 27,124.91 lakhs, April 1st, 2017 Rs.24,783.73 lakhs)			

NOTE 30 EARNINGS PER EQUITY SHARE

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders 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 March 31st, 2019	For the year ended March 31st, 2018
A)	Net Profit attributable to equity holders of the Company (Rs. In Lakhs)	20,058.01	24,508.53
B)	Weighted average number of ordinary shares		
	Issued ordinary shares at the beginning of the year	5,622,578	5,168,033
	Effect of shares issued for cash	-	41,096
	Weighted average number of shares at the end of the year for basic and diluted EPS	**5,622,578**	**5,209,129**
C)	Face value per share (Rs.)	10	10
D)	Basic and Diluted earnings per share (Rs.)	356.74	470.49

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 31 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in lakhs)

Sr. No.	Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
a)	**Contingent liabilities:**			
	Contingent liabilities in respect of demand of income tax authorities	-	-	3.54
b)	**Commitments**	**610.15**	**704.83**	**282.32**

Provident Fund

On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter.

In Company's assessment, the above judgement is not likely to have a significant impact on the financial statements and therefore presently no provision has been made in the Financial Statements.

NOTE 32 PAYMENT TO AUDITOR'S

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
	Payment to the auditor's for :		
a)	Statutory Audit and related services	45.00	30.00
b)	For other services	2.50	1.36
c)	For reimbursement of expenses	2.11	0.55
	Total	**49.61**	**31.91**

NOTE 33 CORPORATE SOCIAL RESPONSIBILITY

Company aims to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility ('CSR') agenda. CSR programmes undertaken are in the area of education, healthcare, livelihood, vocational skill development, sports and other areas such as relief and rehabilitation and environmental sustainability etc. The Company's CSR footprint has been consistently increasing over the years. As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend Rs 546.32 lakh during the year on CSR activities.

Details of corporate social responsibility expenditure

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
a)	Amount required to be spent during the year	546.32	437.87
b)	Amount spent during the year	246.00	40.00
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	246.00	40.00
	Total	**246.00**	**40.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 34 RELATED PARTY DISCLOSURE

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%
(b)	**Fellow subsidiary:**		
	Kotak Securities Limited	India	
	Kotak Mahindra Prime Limited	India	
	Kotak Mahindra General Insurance Company Limited	India	
	Kotak Infrastructure Debt Fund Limited	India	
	Kotak Mahindra Capital Company Limited	India	
	Kotak Investment Advisors Limited	India	
(c)	**Associate Company/Others:**		
	Phoenix ARC Private Limited (Associate)	India	
(d)	**Joint Venture:**		
	Matrix Business Services India Private Ltd.	India	
(e)	**Entities over which relative of director has significant influence**		
	Aero Agencies Limited	India	
	Kotak Commodity Services Private Limited	India	
	Business Standard Private Limited	India	
	Kotak Education Foundation	India	
(f)	**Key Management Personnel**		
	Mr. Paritosh Kashyap - Managing Director and CEO		
	Mr. Uday Kotak		
	Mr. KVS Manian		
	Mr. Dipak Gupta (Upto April 1st, 2018)		
	Ms. Padmini Khare Kaicker (Independent Director as per sub section 6 of section 149 of the Companies Act, 2013)*		
	Mr. Chandrashekhar Sathe (Independent Director as per sub section 6 of section 149 of the Companies Act, 2013)*		
	Mr. Arvind Kathpalia (Independent Director as per sub section 6 of section 149 of the Companies Act, 2013)*		
(g)	**Relatives of Key Management Personnel**		
	Sumant Kathpalia		

** Categorised as Key Management Personnel as per definition of ind AS 24, however directors continue to be Independent Director as defined in section 149 (6) of the Companies Act, 2013.*

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Transactions with related parties

Transactions with key management personnel

The table below describes the compensation to key management personnel which comprise directors and executive officers under Ind AS 24:

(a) Key management personnel compensation*

(Amount in lakhs)

Sr. No.	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
i.	Short-term employee benefits	234.08	224.69
ii.	Other Contribution to funds	9.94	9.41
iii.	Shared-based payments (ESOPS/SAR)**	133.72	114.30

" The above figures do not include provisions for encashable leave and gratuity, as separate actuarial valuation are not available.*

*** SARs considered based on actual payout during the year."*

(b) Transactions with related parties

Note 34 above provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Related Party Disclosures

A. During the year following transactionwere entered into with related parties in the ordinary course of business:

(Amount in lakhs)

Particulars	March 31st, 2019	March 31st, 2018
I. Holding Company		
- Kotak Mahindra Bank Limited		
Transactions during the year :		
FINANCE		
Equity Shares Issuance	-	9,999.99
ESOP Expenses	119.91	77.33
Fixed Deposits Placed	237,949.60	407,848.51
Fixed Deposits Repaid	248,289.12	424,353.57
Interest Received on Fixed Deposits	523.78	1,444.08
OTHER RECEIPTS and PAYMENTS		
Demat Charges	4.26	3.50
Service Charges Received	50.40	50.40
Expense reimbursements paid	911.38	913.09
Expense reimbursements received	0.39	-
Licence Fees paid	632.24	609.62
Referral Fees	236.43	116.62
IPA Fees paid	1.19	1.00
Bank Charges	-	0.11
Employee Liability transfer out	6.55	32.46
Employee Liability transfer in	13.04	30.58
Asset transferred in	2.95	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	March 31st, 2019	March 31st, 2018
II. Fellow Subsidiaries		
Transactions during the year :		
FINANCE		
Interest on Non Convertible Debentures		
- Kotak Securities Limited	1,555.50	1,555.50
Interest paid on Inter Corporate Deposits		
- Kotak Mahindra Prime Limited	-	3.89
Inter Corporate Deposits Borrowing		
- Kotak Mahindra Prime Limited	-	5,000.00
Inter Corporate Deposits Borrowing repaid		
- Kotak Mahindra Prime Limited	-	5,000.00
INVESTMENTS		
Inter Corporate Deposits issued		
- Kotak Mahindra Prime Limited	18,800.00	18,200.00
Inter Corporate Deposits repaid		
- Kotak Mahindra Prime Limited	18,800.00	18,200.00
Interest received on Inter Corporate Deposits		
- Kotak Mahindra Prime Limited	21.53	3.75
OTHER SECURITIES		
Sales		
- Kotak Securities Limited	13,931.25	9,921.89
Purchases		
- Kotak Securities Limited	144.90	-
Service Charges Received		
- Kotak Mahindra Prime Limited	128.40	128.40
- Kotak Infrastructure debt fund	15.00	-
Documentation charges received		
- Kotak Infrastructure Debt Fund Limited	-	-
Sharing of Fee Income		
Kotak Mahindra Capital Company Limited	268.26	122.10
Brokerage paid		
- Kotak Securities Limited	24.29	15.54
Demat Charges paid		
- Kotak Securities Limited	0.32	0.27
License Fees Paid		
- Kotak Securities Limited	7.86	8.61
Insurance premium paid		
- Kotak Mahindra General Insurance Company Limited	5.64	3.53

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	March 31st, 2019	March 31st, 2018
Expense reimbursement from other company		
- Kotak Mahindra Prime Limited	0.13	1.32
- Kotak Securities Limited		-
- Kotak Infrastructure Debt Fund Limited	2.10	36.48
Expense reimbursement to other company		
- Kotak Securities Limited	-	0.19
- Kotak Mahindra Capital Company Limited	-	4.26
Employee Liability transfer in		
- Kotak Mahindra Prime Limited	10.37	-
Employee Liability transfer out		
- Kotak Securities Limited	5.98	2.44
- Kotak Mahindra Prime Limited	2.74	-
- Kotak Infrastructure Debt Fund Limited		55.13
- Kotak Mahindra Capital Company Limited	0.72	-
- Kotak Investment Advisors Limited	-	3.40
Asset Transfer-out		
- Kotak Infrastructure Debt Fund Limited	-	0.37
III. Associate Company/Joint Ventures		
Transactions during the year :		
OTHER RECEIPTS and PAYMENTS		
Recruitment expenses		
- Matrix Business Services India Pvt Limited	0.01	0.01
Sale of investments		
- Matrix Business Services India Pvt Limited	-	16.42
Profit on sale of investments		
- Matrix Business Services India Pvt Limited	-	53.85
IV. Entities over which relative of director has significant influence		
Transactions during the year :		
OTHER RECEIPTS and PAYMENTS		
Fees on travel tickets purchased		
- Aero Agencies Limited	7.21	6.05
Expenses on Corporate Social Responsibility		
- Kotak Education Foundation	85.00	40.00
V. Relatives of Key Management Personnel (KMP)		
Sumant Kathpalia		
Transactions during the year :		
Loan given	474.34	-
Interest received	112.00	-

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Following balances were outstanding as at the year end :

(Amount in lakhs)

Particulars	March 31st, 2019	March 31st, 2018	April 01st, 2017
I. Holding Company			
- Kotak Mahindra Bank Limited			
FINANCE			
Balance in current account	24,312.76	25,695.04	5,032.42
Capital contribution from Parent	298.29	178.38	101.05
Term Deposits Placed	37.74	10,380.79	26,780.70
OTHER RECEIPTS and PAYMENTS			
Service charges payable	77.79	13.48	70.00
Service charges receivable	4.52	4.52	4.38
Referral Fees payable	-	1.18	15.28
Demat Charges Payable	4.26	2.26	0.60
Deposit towards appointment of Director	-	-	1.00
II. Fellow Subsidiaries			
FINANCE			
Non Convertible Debentures issued			
- Kotak Securities Limited	18,200.93	18,199.70	18,198.47
OTHER SECURITIES			
Outstanding Receivable			
- Kotak Securities Limited	-	899.22	0.01
OTHER RECEIPTS and PAYMENTS			
Demat charges payable			
- Kotak Securities Limited	0.16	0.13	0.58
Service charges Receivable			
- Kotak Mahindra Prime Limited	11.51	-	11.26
- Kotak Infrastructure Debt Fund Limited	-	16.14	-
Service charges Payable			
- Kotak Securities Limited	6.77	1.61	1.51
- Kotak Infrastructure Debt Fund Limited	-	0.38	-
- Kotak Investment Advisors Limited	-	3.40	-
Insurance premium paid in advance			
- Kotak Mahindra General Insurance Company Limited	0.83	-	1.47
Insurance premium capitalised			
- Kotak Mahindra General Insurance Company Limited	2.98	-	0.94
Receivable towards Insurance paid			
- Kotak Mahindra General Insurance Company Limited	-	-	0.03
Receivable towards Fee sharing income			
- Kotak Mahindra Capital Company Limited	165.22	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	March 31st, 2019	March 31st, 2018	April 01st, 2017
III. Associate Company/Joint Ventures			
INVESTMENTS			
Investments - Gross			
- Phoenix ARC Pvt Limited	6,100.50	6,100.50	6,100.50
- Matrix Business Services India Pvt Limited	185.50	185.50	201.91
IV. Entities over which relative of director has significant influence			
INVESTMENTS			
Investments – Gross			
- Business Standard Private Limited	0.20	0.20	0.20
COMMODITY DERIVATIVES			
Outstanding receivable			
- Kotak Commodity Services Private Limited	0.31	0.31	0.31
OTHER RECEIPTS and PAYMENTS			
Outstanding Payable			
- Aero Agencies Limited	0.22	-	0.53
V. Relatives of Key Management Personnel (KMP)			
Sumant Kathpalia			
Balance outstanding as at the year end :			
Loan	451.00	-	-

35.1. ACCOUNTING CLASSIFICATION

Carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below

(Amount in lakhs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Amortised Cost	FVTOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others
Financial assets												
Cash and cash equivalents	27,418.60	-	-	-	25,710.47	-	-	-	21,456.75	-	-	-
Bank Balance other than cash and cash equivalent	22,798.78	-	-	-	10,378.77	-	-	-	10,362.96	-	-	-
Receivables:												
Trade receivables	540.02	-	-	-	1,475.79	-	-	-	0.55	-	-	-
Other receivables	181.24	-	-	-	22.00	-	-	-	15.64	-	-	-
Loans	874,210.27	-	-	-	761,121.88	-	-	-	675,875.21	-	-	-
Investments	49,701.65	3,844.22	41,117.06	6,286.00	-	27,968.30	44,099.67	6,286.00	-	24,798.94	32,093.74	6,302.42
Other financial assets	110.15	-	-	-	0.17	-	-	-	0.17	-	-	-
Total	**974,960.71**	**3,844.22**	**41,117.06**	**6,286.00**	**798,709.08**	**27,968.30**	**44,099.67**	**6,286.00**	**707,711.28**	**24,798.94**	**32,093.74**	**6,302.42**

(Amount in lakhs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Amortised Cost	FVTOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others	Amortised Cost	FVTOCI	FVTPL	Others
Financial liabilities												
Payables												
Trade Payables												
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	526.46	-	-	-	951.40	-	-	-	165.19	-	-	-
Other Payables												
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	378.29	-	-	-	138.05	-	-	-	191.54	-	-	-
Debt securities	297,777.68	-	-	-	163,897.49	-	-	-	195,576.89	-	-	-
Borrowings (Other than Debt Securities)	549,826.27	-	-	-	553,739.26	-	-	-	450,866.70	-	-	-
Subordinated Liabilities	20,239.09	-	-	-	20,237.25	-	-	-	20,235.33	-	-	-
Other Financial liabilities	207.69	-	-	-	292.15	-	-	-	306.84	-	-	-
Total	**868,955.48**	**-**	**-**	**-**	**739,255.60**	**-**	**-**	**-**	**667,342.49**	**-**	**-**	**-**

35.2. FAIR VALUE

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

(Amount in lakhs)

Particulars	Fair value											
	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 in Mutual Funds	35,317.69	-	-	35,317.69	38,557.34	-	-	38,557.34	30,008.34	-	-	30,008.34
Investments in Venture Capital Funds	-	-	1,739.60	1,739.60	-	-	1,802.87	1,802.87	-	-	1,861.16	1,861.16
Investments in Preference Shares	-	-	3,993.90	3,993.90	-	-	3,519.82	3,519.82	-	-	-	-
Investments in Equity Instruments	-	-	65.87	65.87	-	-	219.64	219.64	-	-	224.24	224.24
Investments in Debt Securities	-	3,844.22	-	3,844.22	-	27,968.30	-	27,968.30	-	24,798.94	-	24,798.94
Total	**35,317.69**	**3,844.22**	**5,799.37**	**44,961.28**	**38,557.34**	**27,968.30**	**5,542.33**	**72,067.97**	**30,008.34**	**24,798.94**	**2,085.40**	**56,892.68**

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 not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	Fair value											
	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												
Loans	-	-	439,440.58	439,440.58	-	-	366,160.82	366,160.82	-	-	345,912.61	345,912.61
Investments	-	50,836.22	-	50,836.22	-	-	-	-	-	-	-	-
Total	**-**	**50,836.22**	**439,440.58**	**490,276.80**	**-**	**-**	**366,160.82**	**366,160.82**	**-**	**-**	**345,912.61**	**345,912.61**
Financial liabilities												
Debt securities	-	120,341.73	-	120,341.73	-	64,999.08	-	64,999.08	-	81,521.96	-	81,521.96
Borrowings (Other than Debt Securities)	-	20,376.81	-	20,376.81	-	21,000.23	-	21,000.23	-	21,114.37	-	21,114.37
Total	**-**	**140,718.54**	**-**	**140,718.54**	**-**	**85,999.31**	**-**	**85,999.31**	**-**	**102,636.33**	**-**	**102,636.33**

Fair value of Statement of Financial Position is presented below:

(Amount in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Cash and cash equivalents	27,418.60	27,418.60	25,710.47	25,710.47	21,456.75	21,456.75
Bank Balance other than cash and cash equivalent	22,798.78	22,798.78	10,378.77	10,378.77	10,362.96	10,362.96
Receivables:				-		-
Trade receivables	540.02	540.02	1,475.79	1,475.79	0.55	0.55
Other receivables	181.24	181.24	22.00	22.00	15.64	15.64
Loans	874,210.27	883,724.35	761,121.88	768,792.48	675,875.21	686,244.12
Investments*	100,948.93	101,705.31	78,353.97	78,353.97	63,195.10	63,195.10
Other financial assets	110.15	110.15	0.17	0.17	0.17	0.17
Total	**1,026,207.99**	**1,036,478.45**	**877,063.05**	**884,733.65**	**770,906.38**	**781,275.29**
Financial liabilities						
Payables						
Trade Payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	526.46	526.46	951.40	951.40	165.19	165.19
Other Payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	378.29	378.29	138.05	138.05	191.54	191.54
Debt securities	297,777.68	299,194.39	163,897.49	164,116.27	195,576.89	196,518.96
Borrowings (Other than Debt Securities)	549,826.27	550,253.49	553,739.26	553,869.81	450,866.70	450,980.32
Subordinated Liabilities	20,239.09	20,376.81	20,237.25	21,000.23	20,235.33	21,114.37
Other Financial liabilities	207.69	207.69	292.15	292.15	306.84	306.84
Total	**868,955.48**	**870,937.13**	**739,255.60**	**740,367.91**	**667,342.49**	**669,277.22**

**Fair valuation of the investments include investments in associate and Joint Ventures which has been carried at cost.*

In case of Short term financial instrument such as trade receivable, trade payable, Short term Current and Term deposits with Bank/CBLO, carrying value is considered as close approximation of Fair value.

35.3. 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 Company 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 is valued using the closing price as at the reporting period. The mutual funds are valued at the closing Net Asset Value (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 Company 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, overdraft facility payable on demand 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 Preference Shares

The fair values have been calculated using the discounted cash flow approach.

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

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

Fair value of financial instruments carried at amortised cost

Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal models and consequently for the purposes of level disclosures categorized under Level 3. Fair value of Level 3 loans would decrease (increase) in value depending on increase (decrease) in discount rate. Present value of Expected Cash flow from Impaired Loan at original Effective interest Rate is taken as fair value.

Borrowings

The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model. The discount rates were based on yield curves appropriate for the remaining maturities of the instruments as published by Financial Benchamarks India Private Limited (FBIL).

Schedules forming part of Balance Sheet and Profit and Loss Account

35.4. Level 3 fair values measurement

35.4.1. 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.

Particulars	As at April 1st, 2018	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/(out)	As at March 31st, 2019
Investments in Preference Shares	3,519.82	474.08	-	-	-	3,993.90
Investments in Equity Instruments	219.64	(1.68)		(152.09)		65.87

Particulars	As at April 01st, 2017	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/(out)	As at March 31st, 2018
Investments in Preference Shares	-	19.82	3,500.00			3,519.82
Investments in Equity Instruments	224.24	(4.60)	-	-	-	219.64

35.4.2. Unobservable inputs used in measuring fair value

Type of financial instrument	Valuation technique	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Investments in Preference Shares	Discounted cash flow	Interest rate to discount future cash flows	Significant decrease in discount factor would result in higher fair value
Investments in Equity Instruments	Cost Approach	Book values of assets and liabilities	Significant decrease in book value of assets and liabilities would result into lower fair value

35.4.3. 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 31st, 2019				As at March 31st, 2018			
	100 bp increase in discount factor	100 bp decrease in discount factor	500 bp increase in net cash flow	500 bp decrease in net cash flow	100 bp increase in discount factor	100 bp decrease in discount factor	500 bp increase in net cash flow	500 bp decrease in net cash flow
Investments in Preference Shares	(27.44)	27.87			(16.37)	16.54		
Investments in Equity Instruments			3.29	(3.29)			10.98	(10.98)

35.5. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of risks namely:

• Credit risk ;

• Liquidity risk ; and

•Interest rate risk

35.5.1. Risk management framework

Risk Management policy outlines the approach and mechanisms of risk management in the company, including identification, reporting and measurement of risk in various activities undertaken by the company. The general objective of risk management is to support business units by ensuring risks are timely identified and adequately considered in decision-making, and are viewed in conjunction with the earnings.

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 audit 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 audit 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.

The Risk Management committee of Board exercises supervisory power in connection with the risk management of the company, monitoring of the exposures, reviewing adequacy of risk management process, reviewing internal control systems, ensuring compliance with the statutory/ regulatory framework of the risk management process.

The note below explains the sources of risk which the entity is exposed to and how the entity manages the risk in its financial statements

Risk	Exposure arising from	Management
Liquidity Risk	Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.	Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerance limits. In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the ALCO. Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the ALCO. Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.
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. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.	The company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to assessment of promoters; group financial strength and leverage; operational and financial performance track record; client cash flows; valuation of collateral (real estate - considering status of project approvals, market benchmarking and current going rates; corporates – considering capital market trend / cash flows / peer comparison as applicable). The exposures are subjected to regular monitoring of (real estate - project performance, cash flows, security cover; corporates – exposures backed by listed securities, security cover is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits.

Schedules forming part of Balance Sheet and Profit and Loss Account

Risk	Exposure arising from	Management
Interest rate risk	Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income. Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).	Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the overall risk limits as approved by the Board. Further, the Company undertakes Net Interest Income (NII) analysis to assess the impact of changes in interest rate on the earnings of the Company. The Interest Rate Sensitivity (IRS) gaps are monitored by ALCO on monthly basis.

35.5.2. 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. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

The company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to assessment of promoters; group financial strength and leverage; operational and financial performance track record; client cash flows; valuation of collateral (real estate sector- considering status of project approvals, market benchmarking and current going rates; corporate sector – considering capital market trend / cash flows / peer comparison as applicable).

The exposures are subjected to regular monitoring of (real estate - project performance, cash flows, security cover; corporates – exposures backed by listed securities, security cover is regularly monitored). The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for Group of Counterparties and by monitoring exposures in relation to such limits.

The carrying amounts of following financial assets represent the maximum credit risk exposure:-

Particulars	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Loans at amortised cost			
- Commercial Real Estate	313,429.29	268,474.32	245,304.71
- Loan against Securities and Structured Products	448,554.34	384,101.35	353,819.37
- Margin Funding	117,696.86	111,241.21	79,188.89
Investments	53,924.06	27,968.33	24,798.94
Other financial assets	51,061.33	37,599.79	31,842.37
	984,665.88	**829,385.00**	**734,954.28**

35.5.2.2. Narrative disclosures of credit risk

The amount of collateral obtained, if deemed necessary by the company while granting credit facility, is based on management's credit evaluation of the counterparty. Collateral primarily include pledge of securities and/or mortgage of property and/ or hypothecation of receivables and/ or undertaking to create a security.

35.5.2.3. Quantitative Information of Collateral - Credit Impaired assets

(Collateral Coverage - Value of collateral available to mitigate the credit exposure)

Sr. No.	Loan To Value (LTV) range	Gross value of loan in stage 3	
		As at 31 March 2019	As at 31 March 2018
1	Upto 50% Coverage	873.50	691.60
2	51% - 70% Coverage	-	63.73
3	71% - 100% Coverage	-	-
4	Above 100% coverage	3,202.10	267.12
		4,075.61	**1,022.44**

35.5.2.4. Financial assets received as collateral

Company has received Financial assets as collateral that it is permitted to sell in the absence of default.

At March 31st, 2019, the fair value of financial assets accepted as collateral against Loan that the Company is permitted to sell or repledge in the absence of default was Rs 12,17,700.53 lakhs (March 31st, 2018: Rs 10,89,338.83 lakhs).

During the year ended on March 31st, 2019, the fair value of financial assets accepted as collateral that had been sold was Rs 6,836.43 lakhs (Year ended on March 31st, 2018: Rs 1,664.90 lakhs). The Company adjusts the sales Proceed from carrying amount of loan and is not obliged to return equivalent securities.

35.5.2.5. Amounts arising from ECL

The company uses the Expected Credit Loss Model to access impairment loss or gain.

35.5.2.5.1. Inputs, assumptions and techniques used for estimating impairment on retail loans

Inputs considered in the ECL model:

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk since initial recognition on an ongoing basis at each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, credit assessment and including forward looking information. loans are categorized into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

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

- Current - Stage 1
- 0-30 days past due - Stage 1
- 31- 60 days past due - Stage 2
- 61- 90 days past due - Stage 2
- More than 90 days past due - Stage 3

The three stages reflect the general pattern of credit deterioration of a financial instrument.

Further, company considers following additional factors to determine significant increase in credit risk since initial recognition:

- 2 notch downgrade in Internal rating (wherever available) since initial recognition of loan
- 2 notch downgrade in external rating (wherever available) since initial recognition of loan
- management judgement of significant increase in credit risk based on the internal assessment.

Company does not move Loan from higher stage to lower stage immediately after payment of overdue amount and applies following cooling off period for upgradation:

From Stage 2 to Stage 1

- Instrument should continue in lower than 30 dpd for at least six months

From Stage 3 to Stage 2

- Instrument should continue in lower than 90 dpd for at least six months or
- Moves to Zero dpd

Schedules forming part of Balance Sheet and Profit and Loss Account

Assumption considered in the ECL model:

- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future.
- "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.
- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

The Company provides for Expected Credit Losses based on the following:

Category	Basis for recognition of ECL
1. Stage 1 - Standard (Performing) Asset -	12 month PD
2. Stage 2 - Significant Credit Deteriorated Asset -	Life time PD
3. Stage 3- Default (Credit Impaired) Asset -	100% PD

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 real GDP, lending rate, private consumption, domestic demand and money supply. 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 more than 30 days past due.

Credit Impaired:
A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days from the day it is due. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Policy for write-off of Financial assets
Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

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

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Term loans				
Balance as at April 01st, 2017	**815.96**	**1,418.86**	**202.93**	**2,437.75**
Transition From 12 month ECL	(46.92)	46.80	0.12	0.00
Transition From Lifetime ECL not credit impaired	262.07	(262.20)	0.13	(0.00)
Transition From Lifetime ECL credit impaired	2.85	6.58	(9.43)	-
Net remeasurement of loss allowance	(373.88)	700.60	169.95	496.67
New financial assets originated during the year	671.10	441.04	4.95	1,117.09
Financial assets that have been derecognised during the period	(258.27)	(909.12)	(189.12)	(1,356.51)
Balance as at March 31st, 2018	**1,072.91**	**1,442.56**	**179.53**	**2,695.00**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Transition From 12 month ECL	(99.85)	94.54	5.31	-
Transition From Lifetime ECL not credit impaired	332.80	(389.03)	56.23	-
Transition From Lifetime ECL credit impaired	1.08	1.19	(2.27)	-
Net remeasurement of loss allowance	(368.53)	849.26	1,624.12	2,104.85
New financial assets originated during the year	1,008.84	139.86	10.66	1,159.36
Financial assets that have been derecognised during the period	(283.55)	(201.53)	(3.91)	(488.99)
Balance as at March 31st, 2019	**1,663.70**	**1,936.85**	**1,869.67**	**5,470.22**

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total (FVOCI)	(Amortised Cost)
Investments					
Balance as at April 01st, 2017	37.85	304.00	-	341.85	-
Transition From 12 month ECL	-	-	-	-	-
Transition From Lifetime ECL not credit impaired	-	-	-	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-
New financial assets originated during the year	51.89	-	-	51.89	-
Financial assets that have been derecognised during the period	(37.85)	-	-	(37.85)	-
Balance as at March 31st, 2018	**51.89**	**304.00**	**-**	**355.89**	**-**
Transition From 12 month ECL	-	-	-	-	-
Transition From Lifetime ECL not credit impaired	-	-	-	-	-
Transition From Lifetime ECL credit impaired	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-
New financial assets originated during the year	206.37	182.96	-	11.14	378.19
Financial assets that have been derecognised during the period	(51.89)	(304.00)	-	(355.89)	-
Balance as at March 31st, 2019	**206.37**	**182.96**	**-**	**11.14**	**378.19**

(Amount in lakhs)

Particulars	Trade Receivables And Other financial assets
Balance as at April 01st, 2017	6.41
Addition/Deletion during the year	6.15
Balance as at March 31st, 2018	12.56
Addition/Deletion during the year	0.81
Balance as at March 31st, 2019	13.37

Schedules forming part of Balance Sheet and Profit and Loss Account

35.5.2.1. Credit quality analysis

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

	As at March 31st, 2019				As at March 31st, 2018				As at April 01st, 2017			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans at amortised cost												
Commercial Real Estate												
Current	275,417.26	16,754.10	-	292,171.36	239,073.07	17,216.53	-	256,289.59	211,137.39	20,688.40	-	231,825.79
Past due 1–30 days	66.50	-	-	66.50	-	-	-	-	101.19	-	-	101.19
Past due 31–60 days	-	18,163.28	-	18,163.28	-	12,184.73	-	12,184.73	-	12,868.23	-	12,868.23
Past due 61–90 days	-	-	1,026.91	1,026.91	-	-	-	-	-	-	-	-
Past due 90 days	-	-	2,001.25	2,001.25	-	-	-	-	-	-	509.50	509.50
	275,483.76	**34,917.38**	**3,028.16**	**313,429.30**	**239,073.07**	**29,401.26**	**-**	**268,474.32**	**211,238.58**	**33,556.63**	**509.50**	**245,304.71**
Impairment loss allowance	(803.00)	(1,597.60)	(1,061.21)	(3,461.80)	(627.52)	(1,267.86)	-	(1,895.39)	(573.23)	(1,252.78)	(187.26)	(2,013.28)
Carrying amount	**274,680.76**	**33,319.78**	**1,966.95**	**309,967.50**	**238,445.55**	**28,133.40**	**-**	**266,578.93**	**210,665.35**	**32,303.85**	**322.24**	**243,291.43**
Loan against Securities and Structured Products												
Current	427,311.93	4,513.45	-	431,825.38	357,370.35	26,006.09	-	383,376.44	323,736.89	26,058.17	-	349,795.06
Past due 1–30 days	78.94	-	-	78.94	-	-	-	-	-	-	-	-
Past due 31–60 days	-	16,601.84	-	16,601.84	-	721.72	-	721.72	-	2,864.80	-	2,864.80
Past due 61–90 days	-	-	48.19	48.19	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	3.18	3.18	-	-	1,159.51	1,159.51
	427,390.87	**21,115.29**	**48.19**	**448,554.34**	**357,370.35**	**26,727.81**	**3.18**	**384,101.35**	**323,736.89**	**28,922.97**	**1,159.51**	**353,819.37**
Impairment loss allowance	(629.07)	(5.21)	(0.06)	(634.33)	(219.99)	(29.99)	(4.10)	(254.08)	(125.80)	(82.33)	(1.75)	(209.87)
Carrying amount	**426,761.80**	**21,110.08**	**48.13**	**447,920.01**	**357,150.36**	**26,697.82**	**(0.92)**	**383,847.27**	**323,611.09**	**28,840.64**	**1,157.76**	**353,609.50**
Margin Funding												
Current	82,585.57	14,173.68	0.00	96,759.25	76,799.58	8,047.44	-	84,847.02	57,635.13	14,136.55	-	71,771.69
Past due 1–30 days	10,466.28	5,875.40	50.42	16,392.09	14,026.87	3,645.56	162.63	17,835.06	1,763.31	1,565.29	11.01	3,339.60
Past due 31–60 days	-	3,272.85	73.85	3,346.70	-	6,513.05	57.93	6,570.98	-	1,700.69	116.89	1,817.58
Past due 61–90 days	-	323.82	-	323.82	-	1,189.45	-	1,189.45	-	1,065.70	121.84	1,187.54
Past due 90 days	-	-	874.99	874.99	-	-	798.70	798.70	-	-	1,072.47	1,072.47
	93,051.85	**23,645.75**	**999.26**	**117,696.86**	**90,826.45**	**19,395.50**	**1,019.26**	**111,241.21**	**59,398.44**	**18,468.23**	**1,322.22**	**79,188.89**
Impairment loss allowance	(231.63)	(334.03)	(808.41)	(1,374.07)	(225.38)	(144.72)	(175.43)	(545.53)	(116.93)	(83.76)	(13.92)	(214.61)
Carrying amount	**92,820.22**	**23,311.72**	**190.86**	**116,322.79**	**90,601.06**	**19,250.79**	**843.83**	**110,695.68**	**59,281.51**	**18,384.47**	**1,308.30**	**78,974.28**
Debenture												
Current	41,068.30	9,011.54	-	50,079.84	-	-	-	-	-	-	-	-
Past due 1–30 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-	-	-	-
	41,068.30	**9,011.54**	**-**	**50,079.84**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment loss allowance	(195.23)	(182.96)	-	(378.19)	-	-	-	-	-	-	-	-
Carrying amount	**40,873.07**	**8,828.58**	**-**	**49,701.65**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Schedules forming part of Balance Sheet and Profit and Loss Account

	As at March 31st, 2019				As at March 31st, 2018				As at April 01st, 2017			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Investments (Debentures)												
Current	3,817.92	-	-	3,817.92	15,489.09	12,070.52	-	27,559.61	13,134.50	10,849.91	-	23,984.41
Past due 1–30 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-	-	-	-	-	-	-
	3,817.92	**-**	**-**	**3,817.92**	**15,489.09**	**12,070.52**	**-**	**27,559.61**	**13,134.50**	**10,849.91**	**-**	**23,984.41**
Impairment loss allowance	(11.14)	-	-	(11.14)	(51.89)	(304.00)	-	(355.90)	(37.85)	(304.00)	-	(341.85)
Carrying amount	3,806.78	-	-	3,806.78	15,437.20	11,766.52	-	27,203.72	13,096.65	10,545.91	-	23,642.55
Fair Value	**3,844.22**	**-**	**-**	**3,844.22**	**15,455.82**	**12,512.50**	**-**	**27,968.33**	**13,176.93**	**11,622.01**		**24,798.94**

The following table sets out the information about the credit quality of Trade Receivables and other financial assets.

Particulars	**As at March 31st, 2019**	**As at March 31st, 2018**	**As at April 01st, 2017**
	12-month ECL	**12-month ECL**	**12-month ECL**
Current	51,061.33	37,599.79	31,842.37
Impairment loss allowance	(13.37)	(12.56)	(6.41)
Carrying amount	51,047.96	37,587.23	31,835.96

F. The following task presents the financial assets as collaterals on which the company has a right to sell/off set in absence of default. However the financial assets have not been offsetted with the amount of respective collaterals in the balance sheet and captured in the below table for the purpose of disclosure.

The column 'maximum exposure' shows the impact on the Company's balance sheet if all set-off rights are exercised.

Particulars	**Effect of offsetting on the balance sheet**				
	Gross amounts	**Gross amounts set off in the balance sheet**	**Net amounts presented in the balance sheet**	**Netting potential not recognised on the balance sheet - Financial collaterals obtained1**	**Maximum exposure**
March 31, 2019					
Loans and advances					
Loans against securities and structured products	327,377.69	-	327,377.69	(327,377.69)	-
Margin funding	117,696.86	-	117,696.86	(116,326.19)	1,370.67
	445,074.55	**-**	**445,074.55**	**(443,703.88)**	**1,370.67**
March 31, 2018					
Loans and advances					
Loans against securities and structured products	290,959.78	-	290,959.78	(284,930.53)	6,029.25
Margin funding	110,444.28	-	110,444.28	(110,366.62)	77.66
	401,404.06	**-**	**401,404.06**	**(395,297.15)**	**6,106.91**
April 1, 2017					
Loans and advances					
Loans against securities and structured products	295,857.78	-	295,857.78	(290,479.20)	5,378.58
Margin funding	78,621.72	-	78,621.72	(78,487.22)	134.50
	374,479.50	**-**	**374,479.50**	**(368,966.42)**	**5,513.08**

[1]Company obtains financial collateral from its borrowers towards, loans advanced as Loans against securities(LAS) and Margin funding portfoio. Fair value of the financial collateral obtained is more than the underlying loans exposure. Accordingly, amounts have been capped to the extent it does not exceed the net amount of financial assets presented on the balance sheet.

Offsetting rights will trigger on happening of certain events as mentioned in the respective agreement with borrower.

Schedules forming part of Balance Sheet and Profit and Loss Account

iii. Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations when they fall due without adversely affecting its financial condition. Liquidity risk arises because of mismatches in the timing of the cash flows.

Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances. For further details on the Company's strategy to mitigate liquidity risk Refer Note 35 E .

Maturity Profile of Financial Liabilities

For financial liabilities the amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. For financial assets, only carrying values (excluding any provision for impairment loss) as on the reporting date are considered.

(Rs Lakhs)

Particulars	1to 14 days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
As at March 31st, 2019										
Financial assets										
Cash and cash equivalents	27,423.95	-	-	-	-	-	-	-	-	27,423.95
Bank Balance other than cash and cash equivalents	0.52	-	37.74	-	2,701.77	20,063.20	-	-	-	22,803.23
Receivables										
(I) Trade receivables	250.42	-	129.91	-	162.00	-	-	-	0.00	542.33
(II) Other receivables	-	-	182.02	-	-	-	-	-	-	182.02
Loans	12,271.96	75,147.60	97,044.96	143,408.93	108,835.99	159,345.52	214,768.02	22,953.11	45,904.40	879,680.49
Investments	35,300.00	18.49	-	1,049.81	3,817.92	3,500.00	31,211.54	17,800.00	8,629.36	101,327.12
Other Financial assets	-	-	-	-	-	-	-	-	110.62	110.62
	75,246.85	**75,166.09**	**97,394.63**	**144,458.74**	**115,517.68**	**182,908.72**	**245,979.56**	**40,753.11**	**54,644.38**	**1,032,069.76**
Financial liabilities										
Payables										
(I) Trade payables										
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	514.24	-	0.50	11.72	-	-	-	-	-	526.46
(II) Other payables										-
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	0.47	-	362.58	15.23	-	-	-	-	-	378.28
Debt securities	4,316.00	-	5,815.81	-	56,955.34	123,036.70	126,670.01	7,130.00		323,923.86
Borrowings (Other than Debt Securities)	48,004.13	48,086.93	81,131.91	70,358.34	128,684.12	192,007.86	-			568,273.29
Subordinated Liabilities	-	-	-	-	-	1,722.50	3,445.00	3,445.00	24,715.21	33,327.71
Other Financial liabilities	2.92	-	204.77	-	-	-	-	-	-	207.69
	52,837.76	**48,086.93**	**87,515.57**	**70,385.29**	**185,639.46**	**316,767.06**	**130,115.01**	**10,575.00**	**24,715.21**	**926,637.29**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Rs Lakhs)

Particulars	1to 14 days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
As at March 31st, 2018										
Financial assets										
Cash and cash equivalents	25,715.48	-	-	-	-	-	-	-	-	25,715.48
Bank Balance other than cash and cash equivalents	-	-	-	-	10,341.54	-	39.25	-	-	10,380.79
Receivables										
(I) Trade receivables	-	-	-	-	-	-	1,481.24	-	-	1,481.24
(II) Other receivables	-	22.08	-	-	-	-	-	-	-	22.08
Loans	23,441.00	52,320.18	52,686.70	166,125.08	120,496.13	133,252.15	174,584.13	24,987.74	15,923.77	763,816.88
Investments	38,500.00	10,215.46	(0.00)	17,344.12	(0.00)	0.00	60.19	-	12,234.20	78,353.97
Other Financial assets	-	-	-	-	-	-	-	-	0.17	0.17
Total	**87,656.48**	**62,557.72**	**52,686.70**	**183,469.20**	**130,837.67**	**133,252.15**	**176,164.81**	**24,987.74**	**28,158.14**	**879,770.61**
Financial liabilities										
Payables										
(I) Trade payables										
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	-	951.40	-	-	-	-	-	-		951.40
(II) Other payables										-
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	0.00	-	138.05	-	-	-	-	-	-	138.05
Debt securities	316.00	-	2,715.75	28,018.80	33,401.00	42,635.95	67,602.31	910.00	-	175,599.81
Borrowings (Other than Debt Securities)	52,594.73	37,564.84	72,357.94	43,500.00	181,852.48	171,746.58	-	-	-	559,616.57
Subordinated Liabilities	-	-	-	-	-	1,722.50	3,445.00	3,445.00	26,437.71	35,050.21
Other Financial liabilities	-	-	292.15	-	-	-	-	-	-	292.15
Total	**52,910.73**	**38,516.24**	**75,503.89**	**71,518.80**	**215,253.48**	**216,105.03**	**71,047.31**	**4,355.00**	**26,437.71**	**771,648.19**

(Rs Lakhs)

Particulars	1to 14 days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
As at April 1st, 2017										
Financial assets										
Cash and cash equivalents	21,460.93	-	-	-	-	-	-	-	-	21,460.93
Bank Balance other than cash and cash equivalents	39.27	-	-	-	-	10,325.71	-	-	-	10,364.98
Receivables										
(I) Trade receivables	0.01	0.54	-	-	-	-	-	-	-	0.55
(II) Other receivables	-	15.74	-	-	-	-	-	-	-	15.74
Loans	30,717.35	32,540.54	66,815.41	117,324.17	53,647.77	170,507.37	177,974.10	14,924.56	13,861.69	678,312.96
Investments	30,093.43	-	-	5,474.90	1,783.09	2,075.77	14,633.00	-	9,134.91	63,195.10
Other Financial assets	-	-	-	-	-	-	-	-	0.17	0.17
Total	**82,310.98**	**32,556.82**	**66,815.41**	**122,799.07**	**55,430.85**	**182,908.85**	**192,607.10**	**14,924.56**	**22,996.76**	**773,350.43**

Schedules forming part of Balance Sheet and Profit and Loss Account

(Rs Lakhs)

Particulars	1to 14 days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 month upto 3 Month	Over 3 month upto 6 Month	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Financial liabilities										
Payables										
(I) Trade payables										
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	113.14	18.29	-	-	-	33.75	-	-		165.18
(II) Other payables										-
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	0.00	152.98	28.06	9.45	-	1.05	-	-		191.54
Debt securities	3,721.99	14,142.43	8,951.47	11,737.34	46,086.35	37,077.98	85,610.23	2,200.00	-	209,527.79
Borrowings (Other than Debt Securities)	39,728.08	39,518.29	50,256.74	46,157.31	116,960.80	169,955.42	-	-	-	462,576.64
Subordinated Liabilities	-	-	-	-	-	1,722.50	3,445.00	3,445.00	28,160.21	36,772.71
Other Financial liabilities	-	-	306.84	-	-	-	-	-		306.84
Total	**43,563.21**	**53,831.99**	**59,543.11**	**57,904.10**	**163,047.15**	**208,790.70**	**89,055.23**	**5,645.00**	**28,160.21**	**709,540.70**

iv. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – 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 and long term debt. The Company is exposed to market risk which primarily includes risk of change in market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities . Objective of Market risk management is to minimize impact of change in Market value of lending/investments.

a. risk

Company's operating currency is Indian Rupee only and not exposed to Foreign currency risk.

b. 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 instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating rate bearing instruments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

(Amount in lakhs)

	March 31st, 2019	March 31st, 2018	April 01st, 2017
Fixed-rate instruments			
Financial assets	542,697.59	450,662.31	448,514.91
Financial liabilities	(841,900.41)	(702,815.05)	(644,675.55)
Variable-rate instruments			
Financial assets	455,621.78	393,580.82	311,386.03
Financial liabilities	(25,942.63)	(35,058.95)	(22,003.36)
Total Net	**130,476.33**	**106,369.13**	**93,222.03**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	As at March 31st, 2019		As at March 31st, 2018	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments (net)	4,296.79	(4,296.79)	3,585.22	(3,585.22)
Cash Flow Sensitivity	**4,296.79**	**(4,296.79)**	**3,585.22**	**(3,585.22)**

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

NOTE 36 EMPLOYEE BENEFITS

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

(i) Defined Contribution Plans:

In accordance with Indian regulations, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident fund and administered by a Board of Trustees. The employee contributes 12% of his or her basic salary and the Company contributes an equal amount. The Company recognized Rs. 111.99 lakhs (Previous year. Rs. 155.17 lakhs) for Provident Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Company offers the following employee benefit schemes to its employees:

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 Rs. 20 lakhs. (Previous Year Rs. 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:

(Amount in lakhs)

	Note	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Net defined benefit liability	16 (i)	204.75	178.43	145.79
Total employee benefit liabilities		**204.75**	**178.43**	**145.79**

Schedules forming part of Balance Sheet and Profit and Loss Account

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

(Amount in lakhs)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March 31st, 2019	As at March 31st, 2018	As at March 31st, 2019	As at March 31st, 2018	As at March 31st, 2019	As at March 31st, 2018
Opening balance	178.43	145.79	-	-	178.43	145.79
Included in profit or loss	-	-	-	-		
Current service cost	26.23	20.03	-	-	26.23	20.03
Past service cost	-	34.03	-	-	-	34.03
Interest cost (income)	12.40	9.93	-	-	12.40	9.93
	217.06	**209.78**	**-**	**-**	**217.06**	**209.78**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	16.14	16.25	-	-	16.14	16.25
Financial assumptions	1.84	(7.66)	-	-	1.84	(7.66)
Experience adjustment	27.59	18.41	-	-	27.59	18.41
Return on plan assets excluding interest income	-	-	-	-	-	-
	45.57	**27.00**	**-**	**-**	**45.57**	**27.00**
Other						
Benefits paid	(60.67)	(56.57)	-	-	(60.67)	(56.57)
Employers contribution	-	-	-	-	-	-
Liabilities assumed / (settled)	2.79	(1.78)			2.79	(1.78)
Closing balance	**204.75**	**178.43**	**-**	**-**	**204.75**	**178.43**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					204.75	178.43
					204.75	**178.43**

C. Expenses recognised in Statement of profit and loss

(Amount in lakhs)

	As at March 31st, 2019	"As at March 31st, 2018
Current service cost	26.23	20.03
Past service cost	-	34.03
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	12.40	9.93
(Gains) / losses on settlement	-	-
	38.63	**63.99**

Schedules forming part of Balance Sheet and Profit and Loss Account

D. Remeasurements recognised in other comprehensive income

(Amount in lakhs)

	As at March 31st, 2019	As at March 31st, 2018
Actuarial loss (gain) arising from:		
Demographic assumptions	16.14	16.25
Financial assumptions	1.84	(7.66)
Experience adjustment	27.59	18.41
	45.57	**27.00**
Return on plan assets excluding interest income	-	-
	45.57	**27.00**

E. Defined benefit obligations

i. Actuarial assumptions

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

	As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
Discount rate	7.15%	7.90%	7.18%
Salary escalation rate	7.00%	7.00%	7.00%
Mortality rate Age (Years)	Rates (p.a.)	Rates (p.a.)	Rates (p.a.)
18	0.087%	0.080%	0.080%
23	0.094%	0.096%	0.096%
28	0.094%	0.102%	0.102%
33	0.109%	0.116%	0.116%
38	0.145%	0.155%	0.155%
43	0.214%	0.235%	0.235%
48	0.354%	0.398%	0.398%
53	0.617%	0.664%	0.664%
58	0.965%	0.994%	0.994%

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.

(Amount in lakhs)

	As at March 31st, 2019		As at March 31st, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	198.33	211.57	173.47	183.68
Future salary growth (0.5% movement)	208.57	201.02	181.48	175.43

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.

Schedules forming part of Balance Sheet and Profit and Loss Account

F. Experience Adjustments

(Amount in lakhs)

Particulars	Gratuity					
	Year ended 31st March					
	2019	2018	2017	2016	2015	2014
Defined benefit obligation	204.75	178.43	145.79	142.74	137.48	112.39
Plan assets	-	-	-	-	-	-
Surplus / (deficit)	204.75	178.43	145.79	142.74	137.48	112.39
Experience adjustments on plan liabilities	9.18	18.41	4.94	(3.45)	8.22	14.52
Experience adjustments on plan assets	-	-	-	-	-	-

G. Accumulated Compensated Absences

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized Rs.25.21 lakhs (Previous year. Rs. 8.83 lakhs) for Compensated Absences in the Statement of Profit and Loss.

H. Long Service Award

The Company provides for long service awards as at the balance sheet date on the basis of an actuarial valuation using the projected unit credit method conducted by actuary of Life Insurance of its fellow subsidiary.

NOTE 37 SHARE-BASED PAYMENT ARRANGEMENTS:

A. Description of share-based payment arrangements

i. Share option plans (equity-settled)

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, ("the Bank"), the shareholders of the Bank had unanimously passed Special Resolutions on 5th July, 2007, 21st August, 2007 and 29th June, 2015, to grant options to the eligible employees of the Bank and its subsidiaries 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

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank (IVBL) with the Bank, the Bank has renamed and adopted the ESOP Schemes of the erstwhile IVBL, as given below:

(a) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007

(b) Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010; and

(c) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013

Consequent to the above, the Bank has granted stock options to employees of the Company as under:

As at March 31st, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Exercise Date	Contractual life of the options(Yrs)
2007-47						
A	9-May-15	Equity settled	8,172	30-Sep-16	31-Mar-17	1.90
B	9-May-15	Equity settled	8,172	31-Jul-17	31-Jan-18	2.73
C	9-May-15	Equity settled	5,448	30-Jun-18	31-Dec-18	3.65
D	9-May-15	Equity settled	5,448	31-Dec-18	30-Jun-19	4.15

Schedules forming part of Balance Sheet and Profit and Loss Account

As at March 31st, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Exercise Date	Contractual life of the options(Yrs)
2007-47						
A	9-May-15	Equity settled	216	30-Sep-16	31-Mar-17	1.90
B	9-May-15	Equity settled	216	31-Jul-17	31-Jan-18	2.73
C	9-May-15	Equity settled	144	12-Mar-18	31-Dec-18	3.65
D	9-May-15	Equity settled	144	12-Mar-18	12-Mar-19	3.84
2015-02						
A	19-May-16	Equity settled	7,620	30-Sep-17	31-Mar-18	1.87
B	19-May-16	Equity settled	7,620	31-Jul-18	31-Jan-19	2.70
C	19-May-16	Equity settled	5,080	30-Jun-19	31-Dec-19	3.62
D	19-May-16	Equity settled	5,080	30-Nov-19	31-Mar-20	3.87
2015-02						
A	19-May-16	Equity settled	96	30-Sep-17	31-Mar-18	1.87
B	19-May-16	Equity settled	96	12-Mar-18	31-Jan-19	2.70
C	19-May-16	Equity settled	64	12-Mar-18	12-Mar-19	2.81
D	19-May-16	Equity settled	64	12-Mar-18	12-Mar-19	2.81
2015-05						
A	10-Aug-16	Equity settled	9,000	15-Aug-19	31-Dec-19	3.39
B	10-Aug-16	Equity settled	9,000	15-Aug-20	31-Dec-20	4.39
2015-07						
A	15-May-17	Equity settled	10,575	31-Aug-18	28-Feb-19	1.79
B	15-May-17	Equity settled	10,575	31-Oct-19	30-Apr-20	2.96
C	15-May-17	Equity settled	7,050	30-Jun-20	31-Dec-20	3.63
D	15-May-17	Equity settled	7,050	31-Dec-20	30-Jun-21	4.13
2015-07						
A	15-May-17	Equity settled	204	12-Mar-18	28-Feb-19	1.79
B	15-May-17	Equity settled	204	12-Mar-18	12-Mar-19	1.82
C	15-May-17	Equity settled	136	12-Mar-18	12-Mar-19	1.82
D	15-May-17	Equity settled	136	12-Mar-18	12-Mar-19	1.82
2015-14						
A	18-May-18	Equity settled	11,844	31-Jul-19	31-Jan-20	1.71
B	18-May-18	Equity settled	11,844	31-Oct-20	30-Apr-21	2.95
C	18-May-18	Equity settled	7,896	30-Jun-21	31-Dec-21	3.62
D	18-May-18	Equity settled	7,896	31-Dec-21	30-Jun-22	4.12

Schedules forming part of Balance Sheet and Profit and Loss Account

As at March 31st, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Exercise Date	Contractual life of the options(Yrs)
2007-44						
A	9-May-14	Equity settled	7,998	30-Sep-15	31-Mar-16	1.90
B	9-May-14	Equity settled	7,998	31-Jul-16	31-Jan-17	2.73
C	9-May-14	Equity settled	5,332	30-Jun-17	31-Dec-17	3.65
D	9-May-14	Equity settled	5,332	31-Dec-17	30-Jun-18	4.15
2015-03						
A	19-May-16	Equity settled	20,000	1-Jan-20	31-Mar-20	3.87

As at March 31st, 2018

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Exercise Date	Contractual life of the options(Yrs)
2007-44						
A	9-May-14	Equity settled	8,928	30-Sep-15	31-Mar-16	1.90
B	9-May-14	Equity settled	8,928	31-Jul-16	31-Jan-17	2.73
C	9-May-14	Equity settled	5,952	30-Jun-17	31-Dec-17	3.65
D	9-May-14	Equity settled	5,952	31-Dec-17	30-Jun-18	4.15
2007-47						
A	9-May-15	Equity settled	9,036	30-Sep-16	31-Mar-17	1.90
B	9-May-15	Equity settled	9,036	31-Jul-17	31-Jan-18	2.73
C	9-May-15	Equity settled	6,024	30-Jun-18	31-Dec-18	3.65
D	9-May-15	Equity settled	6,024	31-Dec-18	30-Jun-19	4.15
2015-02						
A	19-May-16	Equity settled	8,214	30-Sep-17	31-Mar-18	1.87
B	19-May-16	Equity settled	8,214	31-Jul-18	31-Jan-19	2.70
C	19-May-16	Equity settled	5,476	30-Jun-19	31-Dec-19	3.62
D	19-May-16	Equity settled	5,476	30-Nov-19	31-Mar-20	3.87
2015-03						
A	19-May-16	Equity settled	20,000	1-Jan-20	31-Mar-20	3.87
2015-05						
A	10-Aug-16	Equity settled	9,000	15-Aug-19	31-Dec-19	3.39
B	10-Aug-16	Equity settled	9,000	15-Aug-20	31-Dec-20	4.39
2015-07						
A	15-May-17	Equity settled	11,238	31-Aug-18	28-Feb-19	1.79
B	15-May-17	Equity settled	11,238	31-Oct-19	30-Apr-20	2.96
C	15-May-17	Equity settled	7,492	30-Jun-20	31-Dec-20	3.63
D	15-May-17	Equity settled	7,492	31-Dec-20	30-Jun-21	4.13
2007-40						
A	10-May-13	Equity settled	7,772	30-Sep-14	31-Mar-15	1.89
B	10-May-13	Equity settled	11,658	31-Aug-15	29-Feb-16	2.81
C	10-May-13	Equity settled	9,712	30-Jun-16	31-Dec-16	3.65
D	10-May-13	Equity settled	9,718	31-Dec-16	30-Jun-17	4.14

ii. Stock Appreciation Rights (cash-settled)

At the General Meeting of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolution on 29th June, 2015 to grant stock appreciation rights (SARs) to the eligible 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.

The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.20 years to 3.67 years. During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 12,021 SARs during FY 2018- 19. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.20 years to 3.67 years

As at March 31st, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Contractual life of the options(Yrs)
2015 SERIES 17					
Tranche V-1A	18-May-18	Cash settled	947	31-Jul-19	1.20
Tranche V-1B	18-May-18	Cash settled	947	7-Aug-19	1.22
Tranche V-1C	18-May-18	Cash settled	947	14-Aug-19	1.24
Tranche V-2A	18-May-18	Cash settled	947	31-Oct-20	2.46
Tranche V-2B	18-May-18	Cash settled	947	7-Nov-20	2.48
Tranche V-2C	18-May-18	Cash settled	947	14-Nov-20	2.50
Tranche V-3A	18-May-18	Cash settled	632	30-Jun-21	3.12
Tranche V-3B	18-May-18	Cash settled	632	7-Jul-21	3.14
Tranche V-3C	18-May-18	Cash settled	630	14-Jul-21	3.16
Tranche V-4A	18-May-18	Cash settled	632	31-Dec-21	3.62
Tranche V-4B	18-May-18	Cash settled	632	7-Jan-22	3.64
Tranche V-4C	18-May-18	Cash settled	630	14-Jan-22	3.66
Scheme 2015 Series 9					
Tranche V-2A	15-May-17	Cash settled	922	31-Oct-19	2.46
Tranche V-2B	15-May-17	Cash settled	922	7-Nov-19	2.48
Tranche V-2C	15-May-17	Cash settled	922	14-Nov-19	2.50
Tranche V-3A	15-May-17	Cash settled	610	30-Jun-20	3.13
Tranche V-3B	15-May-17	Cash settled	610	7-Jul-20	3.15
Tranche V-3C	15-May-17	Cash settled	624	14-Jul-20	3.17
Tranche V-4A	15-May-17	Cash settled	610	31-Dec-20	3.63
Tranche V-4B	15-May-17	Cash settled	610	7-Jan-21	3.65
Tranche V-4C	15-May-17	Cash settled	624	14-Jan-21	3.67
Scheme 2015 Series 12					
Tranche V-1B	15-May-17	Cash settled	470	30-Jun-19	2.13
Scheme 2015 Series 4					
Tranche V-3A	19-May-16	Cash settled	822	30-Jun-19	3.12
Tranche V-3B	19-May-16	Cash settled	822	7-Jul-19	3.13

Schedules forming part of Balance Sheet and Profit and Loss Account

As at March 31st, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Contractual life of the options(Yrs)
Tranche V-3C	19-May-16	Cash settled	830	14-Jul-19	3.15
As at March 31st, 2019					
Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Contractual life of the options(Yrs)
Tranche V-4A	19-May-16	Cash settled	822	30-Nov-19	3.53
Tranche V-4B	19-May-16	Cash settled	822	7-Dec-19	3.55
Tranche V-4C	19-May-16	Cash settled	830	14-Dec-19	3.57
Series 2015/19					
Tranche V-1A	7-Jul-18	Cash settled	426	31-Jul-20	2.07
Tranche V-1B	7-Jul-18	Cash settled	425	7-Aug-20	2.09
Tranche V-1C	7-Jul-18	Cash settled	425	14-Aug-20	2.11
Tranche V-2A	7-Jul-18	Cash settled	425	31-Jul-21	3.07
Tranche V-2B	7-Jul-18	Cash settled	425	7-Aug-21	3.09
Tranche V-2C	7-Jul-18	Cash settled	425	14-Aug-21	3.11

As at March 31st, 2018

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Contractual life of the options(Yrs)
Scheme 2015 Series 9					
Tranche V-1A	15-May-17	Cash settled	922	31-Aug-18	1.30
Tranche V-1B	15-May-17	Cash settled	922	7-Sep-18	1.32
Tranche V-1C	15-May-17	Cash settled	922	14-Sep-18	1.33
Tranche V-2A	15-May-17	Cash settled	922	31-Oct-19	2.46
Tranche V-2B	15-May-17	Cash settled	922	7-Nov-19	2.48
Tranche V-2C	15-May-17	Cash settled	922	14-Nov-19	2.50
Tranche V-3A	15-May-17	Cash settled	610	30-Jun-20	3.13
Tranche V-3B	15-May-17	Cash settled	610	7-Jul-20	3.15
Tranche V-3C	15-May-17	Cash settled	624	14-Jul-20	3.17
Tranche V-4A	15-May-17	Cash settled	610	31-Dec-20	3.63
Tranche V-4B	15-May-17	Cash settled	610	7-Jan-21	3.65
Tranche V-4C	15-May-17	Cash settled	624	14-Jan-21	3.67
Scheme 2015 Series 12					
Tranche V-1A	15-May-17	Cash settled	470	30-Jun-18	1.13
Tranche V-1B	15-May-17	Cash settled	470	30-Jun-19	2.13
Scheme 2015 Series 4					
Tranche V-2A	19-May-16	Cash settled	1237	31-Jul-18	2.20
Tranche V-2B	19-May-16	Cash settled	1237	7-Aug-18	2.22
Tranche V-2C	19-May-16	Cash settled	1237	14-Aug-18	2.24

As at March 31st, 2018

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options	Vesting conditions / Dates	Contractual life of the options(Yrs)
Tranche V-3A	19-May-16	Cash settled	822	30-Jun-19	3.12
Tranche V-3B	19-May-16	Cash settled	822	7-Jul-19	3.13
Tranche V-3C	19-May-16	Cash settled	830	14-Jul-19	3.15
Tranche V-4A	19-May-16	Cash settled	822	30-Nov-19	3.53
Tranche V-4B	19-May-16	Cash settled	822	7-Dec-19	3.55
Tranche V-4C	19-May-16	Cash settled	830	14-Dec-19	3.57
Series 2015/04					
Tranche III	9-May-15	Cash settled	3180	30-Jun-18	3.15
Tranche V	9-May-15	Cash settled	3180	31-Dec-18	3.65

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

As at March 31st, 2019

Scheme	Grant Date	Vesting period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (Rs.)	
		From	To	From	To			From	To		From	To	From	To
2007-44	9-May-14	1.39	3.65	1.65	3.90	812.00	812.00	8.73%	8.89%	0.10%	28.53%	30.17%	171.64	303.42
2007-47	9-May-15	1.40	3.65	1.65	3.90	1,330.00	1,329.50	7.91%	8.07%	0.07%	27.61%	29.29%	267.02	473.14
2015-02	19-May-16	1.37	3.53	1.62	3.70	710.00	708.90	7.25%	7.46%	0.07%	26.85%	27.96%	134.08	229.80
2015-03	19-May-16	3.62	3.62	3.75	3.75	710.00	708.90	7.46%	7.46%	0.07%	27.28%	27.28%	231.24	231.24
2015-05	10-Aug-16	3.01	4.02	3.20	4.21	765.00	764.75	7.04%	7.13%	0.07%	26.75%	28.05%	225.33	261.42
2015-07	15-May-17	1.30	3.63	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84
2015-14	18-May-18	1.20	3.62	1.45	3.87	1,271.00	1,270.70	7.44%	7.99%	0.06%	18.68%	32.95%	184.60	465.70

As at March 31st, 2018

Scheme	Grant Date	Vesting period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (Rs.)	
		From	To	From	To			From	To		From	To	From	To
2007-40	10-May-13	1.39	3.65	1.64	3.89	724.00	723.35	7.47%	7.52%	0.10%	27.68%	31.56%	142.10	259.91
2007-44	9-May-14	1.39	3.65	1.65	3.90	812.00	812.00	8.73%	8.89%	0.10%	28.53%	30.17%	171.64	303.42
2007-47	9-May-15	1.40	3.65	1.65	3.90	1,330.00	1,329.50	7.91%	8.07%	0.07%	27.61%	29.29%	267.02	473.14
2015-02	19-May-16	1.37	3.53	1.62	3.70	710.00	708.90	7.25%	7.46%	0.07%	26.85%	27.96%	134.08	229.80
2015-03	19-May-16	3.62	3.62	3.75	3.75	710.00	708.90	7.46%	7.46%	0.07%	27.28%	27.28%	231.24	231.24
2015-05	10-Aug-16	3.01	4.02	3.20	4.21	765.00	764.75	7.04%	7.13%	0.07%	26.75%	28.05%	225.33	261.42
2015-07	15-May-17	1.30	3.63	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84

Schedules forming part of Balance Sheet and Profit and Loss Account

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2019.

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Group's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

ii. Stock Appreciation Rights (cash-settled)

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

31-Mar-19

Scheme	Grant Date	Vesting period		Expected life(Years)		Exercise Price (INR)	Market price	Risk free rare		Annual Dividend yield	Volatility		Fair value per SAR (Rs.)	
		From	To	From	To			From	To		From	To	From	To
2015 SERIES 17	18-May-18	0.33	2.79	0.33	2.79	-	1,334.50	6.29%	6.74%	0.05%	21.03%	27.91%	1,332.54	1,334.27
2015 Series 9	15-May-17	0.59	1.79	0.59	1.79	-	1,334.50	6.39%	6.65%	0.05%	22.31%	28.06%	1,333.24	1,334.09
2015 Series 12	15-May-17	0.25	0.25	0.25	0.25	-	1,334.50	6.25%	6.25%	0.05%	20.12%	20.12%	1,334.32	1,334.32
2015 Series 4	19-May-16	0.25	0.71	0.25	0.71	-	1,334.50	6.25%	6.44%	0.05%	19.74%	27.53%	1,334.00	1,334.32
Series 2015/4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series 2015/19	7-Jul-18	1.34	2.38	1.34	2.38	-	1,334.50	6.60%	6.70%	0.05%	21.50%	23.62%	1,332.84	1,047.55

31-Mar-18

Scheme	Grant Date	Vesting period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rare		Annual Dividend yield	Volatility		Fair value per SAR (Rs.)	
		From	To	From	To			From	To		From	To	From	To
2015 SERIES 17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015 Series 9	15-May-17	0.42	2.79	0.42	2.79	-	1,047.80	6.27%	7.16%	0.06%	16.74%	21.03%	1,046.12	1,047.55
2015 Series 12	15-May-17	0.25	1.25	0.25	1.25	-	1,047.80	6.14%	6.74%	0.06%	18.25%	19.23%	1,047.05	1,047.65
2015 Series 4	19-May-16	1.34	2.38	1.34	2.38	-	1,334.50	6.60%	6.70%	0.05%	21.50%	23.62%	1,332.84	1,333.56
Series 2015/4	9-May-15	0.25	0.75	0.25	0.75	-	1,069.21	6.14%	6.50%	0.06%	18.10%	19.23%	1,064.00	1,064.14
Series 2015/19	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C. RECONCILIATION OF OUTSTANDING SHARE OPTIONS

Activity in the options outstanding under the employee's stock option Scheme as at 31 March 2019

The number and actual exercise prices of share options are as follows:

Scheme	Grant Date	March 31st, 2019					March 31st, 2018				
		Outstanding at the start of the year	Granted during the year	Excercised during the year	Lapsed/ cancelled during the year	Outstanding at the end of the year	Outstanding at the start of the year	Granted during the year	Excercised during the year	Lapsed/ cancelled during the year	Outstanding at the end of the year
2007-40	10-May-13	-	-	-	-	-	7,616	-	(7,616)	-	-
2007-47	9-May-15	11,184	-	(5,916)	-	5,268	21,354	-	(8,658)	(1,512)	11,184
2015-02	19-May-16	18,004	-	(7,844)	-	10,160	27,380	-	(7,716)	(1,660)	18,004
2015-07	15-May-17	34,900	1,370	(11,255)	-	25,015	32,340	5,120	-	(2,560)	34,900
2015-05	10-Aug-16	12,000	6,000	-	-	18,000	18,000	-	-	(6,000)	12,000
2007-44	9-May-14	5,332	-	(5,332)	-	-	11,904	-	(5,828)	(744)	5,332
2015-03	19-May-16	20,000	-	-	-	20,000	20,000	-	-	-	20,000
2015-14	18-May-18		39,480	-	-	39,480	-	-	-	-	-

D. RECONCILIATION OF STOCK APPRECIATION RIGHTS (CASH-SETTLED)

The number and actual exercise prices of share options are as follows:

Scheme	Grant Date	March 31^{st}, 2019						March 31^{st}, 2018					
		Outstanding at the start of the year	Granted during the year	Excercised during the year	Lapsed/ cancelled during the year	Other Adjustments (Transfers during the year)	Outstanding at the end of the year	Outstanding at the start of the year	Granted during the year	Excercised during the year	Lapsed/ cancelled during the year	Other Adjustments (Transfers during the year)	Outstanding at the end of the year
Scheme 2014 Series 2	9-May-14	-	-	-	-	-	-	4,304	-	3,676	212	(416)	-
Scheme 2015 Series 9	15-May-17	8,850	-	2,826	-	220	6,244	-	9,220	-	550	180	8,850
Scheme 2015 Series 12	15-May-17	940	-	470	-	-	470	-	940	-	-		940
Scheme 2015 Series 4	19-May-16	5,103	-	2,223	-	-	2,880	12,320	-	2,187	440	(4,590)	5,103
Series 2015/04	9-May-15	3,768	-	3,768	-	-	-	11,130	-	3,048	296	(4,018)	3,768
2015 SERIES 17	18-May-18	-	9,470	-	-	240	9,710	-	-	-	-		-
Series 2015/19	7-Jul-18	-	2,551	-	-	-	2,551	-	-	-	-	-	-

NOTE 38 CAPITAL DISCLOSURE

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders, return capital to shareholders.

No changes have been made to the objectives, policies and processes from the previous years, however the same is constantly reviewed by the Board. For Capital adequacy as required by Regulator- Refer Note 48

NOTE 39 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 ("Previous GAAP") 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^{st}, 2019, the comparative information presented in these financial statements for the year ended March 31^{st}, 2018 and in the preparation of an opening Ind AS balance sheet at April 1^{st}, 2017 (the "transition date").

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

Optional exemptions availed and mandatory exceptions

In preparing the first Ind AS financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and Intangible assets

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2017).

Schedules forming part of Balance Sheet and Profit and Loss Account

2. **Deemed cost for investment in subsidiary, joint controlled entities and associates**

   The Company has elected to continue with the carrying value of its investments in subsidiaries, jointly controlled entities and associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has measured all its investments in subsidiaries at their previous GAAP carrying value.

3. **Business combinations**

   As per Ind AS 101, at the date if transition,an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations and also applies Ind AS 110, Consolidated Financial Statements from that same date. The Company has opted to not restate any business combination that occurred before the date of transition.

4. **Designation of previously recognised financial instruments**

   Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL). The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

B. MANDATORY EXCEPTIONS

1. **Estimates**

   On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

   - Fair valuation of financial instruments carried at FVOCI
   - Determination of the discounted value for financial instruments carried are amortised cost.
   - Impairment of financial assets based on the expected credit loss model.

2. **Classification and measurement of financial assets**

   As permitted under Ind AS 101, Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

3. **Derecognition of financial assets and liabilities**

   As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if 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. The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

4. **Classification and measurement of financial assets**

   Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

   Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Schedules forming part of Balance Sheet and Profit and Loss Account

A. RECONCILIATION OF EQUITY AS AT APRIL 01ST, 2017

Particulars	Footnote ref.	Amount as per Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	1	21,460.93	(4.18)	21,456.75
(b) Bank Balance other than cash and cash equivalents	1	10,364.98	(2.02)	10,362.96
(c) Receivables				-
(i) Trade receivables		0.55	-	0.55
(ii) Other receivables	1	15.74	(0.10)	15.64
(d) Loans	1, 6 & 9	681,914.80	(6,039.59)	675,875.21
(e) Investments	1, 3 & 4	60,504.61	2,690.49	63,195.10
(f) Other financial assets		0.17	0.00	0.17
Total financial assets		**774,261.78**	**(3,355.40)**	**770,906.38**
(2) Non-financial assets				
(a) Current Tax assets (Net)		3.54	-	3.54
(b) Deferred Tax assets (Net)	7	1,014.19	472.89	1,487.08
(c) Property, Plant and Equipment		141.29	(0.00)	141.29
(d) Other intangible assets		6.60	0.00	6.60
(e) Other Non-financial assets		21.00	(0.00)	21.00
Total non-financial assets		**1,186.62**	**472.89**	**1,659.51**
TOTAL ASSETS		**775,448.40**	**(2,882.51)**	**772,565.89**
LIABILITIES AND EQUITY				
(1) Liabilities				
Financial liabilities				
(a) Payables				
(i) Trade payables		165.19	-	165.19
(ii) Other payables		191.54	-	191.54
(b) Debt securities	2	195,735.84	(158.95)	195,576.89
(c) Borrowings (Other than Debt Securities)	2	450,886.59	(19.89)	450,866.70
(d) Subordinated Liabilities	2	20,245.14	(9.81)	20,235.33
(e) Other Financial liabilities		306.84	-	306.84
Total financial liabilities		**667,531.14**	**(188.65)**	**667,342.49**
Non-Financial liabilities				
(a) Current tax liabilities (Net)		1,208.13	-	1,208.13
(b) Provisions	5	2,806.34	(2,414.48)	391.86
(c) Other non-financial liabilities		148.10	-	148.10
Total non-financial liabilities		4,162.57	(2,414.48)	1,748.09
(2) Equity				
(a) Equity Share Capital		516.80	(0.00)	516.80
(b) Other equity	8	103,237.89	(279.38)	102,958.51
Total equity		**103,754.69**	**(279.38)**	**103,475.31**
TOTAL LIABILITIES AND EQUITY		**775,448.40**	**(2,882.51)**	**772,565.89**

Schedules forming part of Balance Sheet and Profit and Loss Account

B. RECONCILIATION OF EQUITY AS AT MARCH 31ST, 2018

Particulars	Footnote ref.	Amount as per Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	1	25,715.49	(5.02)	25,710.47
(b) Bank Balance other than cash and cash equivalents	1	10,380.79	(2.02)	10,378.77
(c) Receivables			-	-
(i) Trade receivables	1	1,481.25	(5.46)	1,475.79
(ii) Other receivables	1	22.09	(0.09)	22.00
(d) Loans	1, 6 & 9	767,810.63	(6,688.75)	761,121.88
(e) Investments	1, 3 & 4	76,038.96	2,315.01	78,353.97
(f) Other financial assets		0.17	(0.00)	0.17
Total financial assets		**881,449.38**	**(4,386.33)**	**877,063.05**
(2) Non-financial assets				
(a) Current Tax assets (Net)		191.93	0.00	191.93
(b) Deferred Tax assets (Net)	7	1,297.70	575.77	1,873.47
(c) Property, Plant and Equipment		74.80	0.00	74.80
(d) Other intangible assets		21.11	(0.00)	21.11
(e) Other Non-financial assets		204.37	-	204.37
Total non-financial assets		**1,789.91**	**575.77**	**2,365.68**
TOTAL ASSETS		**883,239.29**	**(3,810.56)**	**879,428.73**
LIABILITIES AND EQUITY				
(1) Liabilities				
Financial liabilities				
(a) Payables				
(i) Trade payables		951.40	-	951.40
(ii) Other payables		138.05	-	138.05
(b) Debt securities	2	164,023.96	(126.47)	163,897.49
(c) Borrowings (Other than Debt Securities)	2	553,843.90	(104.64)	553,739.26
(d) Subordinated Liabilities	2	20,246.37	(9.12)	20,237.25
(e) Other Financial liabilities		292.15	(0.00)	292.15
Total financial liabilities		**739,495.83**	**(240.23)**	**739,255.60**
Non-Financial liabilities				
(a) Current tax liabilities (Net)		1,598.22	-	1,598.22
(b) Provisions	5	3,499.99	(3,103.33)	396.67
(c) Other non-financial liabilities		393.40	0.00	393.40
Total non-financial liabilities		**5,491.61**	**(3,103.32)**	**2,388.29**
(2) Equity				
(a) Equity Share Capital		562.26	0.00	562.26
(b) Other equity	8	137,689.59	(467.01)	137,222.58
Total equity		**138,251.85**	**(467.01)**	**137,784.84**
TOTAL LIABILITIES AND EQUITY		**883,239.29**	**(3,810.56)**	**879,428.73**

Schedules forming part of Balance Sheet and Profit and Loss Account

C. RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31ST, 2018

Particulars	Footnote ref.	Amount as per Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I. REVENUE FROM OPERATIONS				
Interest income	9	82,030.82	(534.22)	81,496.60
Dividend income		22.35	(0.00)	22.35
Fees and commission income		1,089.60	-	1,089.60
Net gain on Financial Instrument measured at fair value	3 & 4	7,988.18	30.34	8,018.52
Total revenue from operations		**91,130.95**	**(503.88)**	**90,627.07**
II. Other income		229.77	-	229.77
III. Total Income (I+II)		**91,360.72**	**(503.88)**	**90,856.84**
IV. Expenses				
Finance costs	2	49,137.38	(51.59)	49,085.79
Impairment on financial instruments	1	687.16	(551.89)	135.27
Employee Benefits expenses	5 & 8	2,640.10	48.63	2,688.73
Depreciation, amortization and impairment		70.57	(0.00)	70.57
Other expenses		2,161.18	-	2,161.18
Total Expenses		**54,696.39**	**(554.85)**	**54,141.54**
V. Profit/(loss) before tax		**36,664.33**	**50.97**	**36,715.30**
VI. Tax expense:				
1. Current Tax		(12,450.69)	-	(12,450.69)
2. Deferred Tax	7	283.52	(39.61)	243.92
VII. Profit/(Loss) for the period		**24,497.16**	**11.37**	**24,508.53**
VIII. Other comprehensive income				
(A) Items that will not be reclassified to profit or loss				
(i) Remeasurements of the defined benefit plans		-	(27.00)	(27.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	9.43	9.43
		-	(17.57)	(17.57)
(B) Items that will be reclassified to profit or loss				
(i) Debt Instruments through Other Comprehensive Income		-	(391.78)	(391.78)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	133.02	133.02
		-	**(258.76)**	**(258.76)**
Other comprehensive income (A+B)		**-**	**(276.33)**	**(276.33)**
IX. Total comprehensive income for the year (VII + VIII)		**24,497.16**	**(264.96)**	**24,232.20**

Schedules forming part of Balance Sheet and Profit and Loss Account

D. RECONCILIATION OF CASH FLOW FOR THE YEAR ENDED MARCH 31ST, 2018

Particulars	Amount as per Previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash (used in) / generated from operating activities	(74,530.31)	21,643.71	(52,886.60)
Net cash (used in) / generated from investing activities	(808.25)	(18,753.15)	(19,561.40)
Net cash flow from financing activities	79,598.83	(2,896.28)	76,702.55
Net (decrease) / increase in cash and cash equivalents	4,260.27	(5.72)	4,254.55
Cash and cash equivalents at the beginning of the year	21,455.21	5.72	21,460.93
Cash and cash equivalents at the end of the year	25,715.48		25,715.48

Notes to the reconciliation:

1. **Impact on provisioning due to ECL methodology :**

   Under Previous GAAP, loan loss provision is made against assets classified as standard, sub-standard, doubtful and loss assets in accordance with RBI guidelines. Expected credit losses on financial assests is computed in accordance with Ind AS 109.

2. **Borrowings - Transaction cost:**

   Ind AS 109 requires transaction costs incurred towards origination of borrowings to be dedcuted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under Previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

3. **Fair value measurement of investments classified as FVTPL**

   Under Ind AS specified type of financial assets are measured at Fair value and the changes in fair value is recognised in statement of profit and loss.

4. **Fair value measurement of investments classified as FVOC**

   Under Ind AS specified type of financial assets are measured at Fair value and the changes in fair value is recognised in in Other comprehensive income.

5. **Fair valuation of SAR's**

   Under Previous GAAP, the intrinsic value of SAR's is amortised on a straight-line basis over the vesting period with recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the statement of profit and loss in 'Provision for Stock Appreciation Rights' under the head Employee Benefit Expense.

   Ind-AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. Accordingly under Ind AS, the company has remeasured the stock options outstanding at the end of the year at the fair value.

6. **Recognition of interest on stage 3/credit impaired assets:**

   As per Ind AS 109, when a financial asset becomes credit-impaired and is, therefore, classified as 'Stage 3', the Company calculates ECL on the carrying value of Financial Assets measured at Amortized cost

7. **Deferred tax assets / (liabilities):**

   Under Previous GAAP deferred tax accounting is done 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 Previous GAAP.

Schedules forming part of Balance Sheet and Profit and Loss Account

8. Actuarial gain / loss transferred to OCI (Defined benefit liabilities):

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined, benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, Remeasurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

9. Loan - Transaction Cost:

Under Preveious GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.

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

(i) Reconciliation of equity

(Amount in lakhs)

Sr. No.	Particulars	As on March 31st, 2018	As on April 01st, 2017
	Equity as per Previous GAAP	**138,251.85**	**103,754.69**
A	Amortization of processing fee on corporate loans based on effective interest rate which was previously recognised as revenue in the period of accrual	(4,790.52)	(4,253.37)
B	Amortization of borrowing expenses on effective interest rate method which was previously recognised as expenditure	240.23	188.63
C	Change in provision on application of expected credit loss model	918.53	352.60
D	Changes in fair value of investments/financial instruments previously recorded at cost less other than temporary diminution	2,315.01	2,690.48
E	Other Adjustments	273.99	269.37
F	Deferred Tax impact on above adjustments	575.75	472.89
	Equity as per Ind AS	**137,784.84**	**103,475.31**

(ii) Reconciliation of total comprehensive income

Sr. No.	Particulars	For the year ended on March 31st, 2018
	Profit after tax as per Previous GAAP	**24,497.16**
A	Amortization of processing fee on corporate loans based on effective interest rate which was previously recognised as revenue in the period of accrual	(537.15)
B	Amortization of borrowing expenses on effective interest rate method which was previously recognised as expenditure	51.59
C	Change in provision on application of expected credit loss model	551.89
D	Actuarial loss on employee defined benefit plan recognised in 'Other Comprehensive Income' as per Ind AS 19	27.00
E	Changes in fair value of investments/financial instruments previously recorded at cost less other than temporary diminution	30.34
F	Other Adjustments	(72.70)
G	Deferred Tax impact on above adjustments	(39.60)
	Profit after tax as per Ind AS	**24,508.53**
	Other comprehensive income, net of tax	(276.33)
	Total comprehensive income as per Ind AS	**24,232.20**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 40 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

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	27,418.60	-	27,418.60	25,710.47	-	25,710.47	21,456.75	-	21,456.75
Bank Balance other than cash and cash equivalents	22,798.78	-	22,798.78	10,343.53	35.24	10,378.77	10,362.96	-	10,362.96
Receivables									
(I) Trade receivables	540.02	-	540.02	1,475.79	-	1,475.79	0.55	-	0.55
(II) Other receivables	181.24	-	181.24	22.00		22.00	15.64	-	15.64
Loans	593,458.81	280,751.46	874,210.27	542,806.15	218,315.73	761,121.88	469,636.57	206,238.64	675,875.21
Investments	43,155.81	57,793.12	100,948.93	66,589.36	11,764.61	78,353.97	41,634.46	21,560.64	63,195.10
Other Financial assets	110.15	-	110.15	0.17	-	0.17	0.17		0.17
Sub total	**687,663.42**	**338,544.58**	**1,026,207.99**	**646,947.47**	**230,115.58**	**877,063.05**	**543,107.10**	**227,799.28**	**770,906.38**
Non-financial assets									
Current Tax assets (Net)	-	472.90	472.90	-	191.93	191.93	-	3.54	3.54
Deferred Tax assets (Net)	-	2,656.84	2,656.84	-	1,873.47	1,873.47	-	1,487.08	1,487.08
Property, Plant and Equipment	-	198.72	198.72	-	74.80	74.80	-	141.29	141.29
Intangible assets under development	-	6.00	6.00	-	-	-	-	-	-
Other intangible assets	-	16.23	16.23	-	21.11	21.11		6.60	6.60
Other Non-financial assets	311.23	-	311.23	204.37	-	204.37	21.00		21.00
Sub total	**311.23**	**3,350.69**	**3,661.92**	**204.37**	**2,161.31**	**2,365.68**	**21.00**	**1,638.51**	**1,659.51**
Total Assets	**687,974.65**	**341,895.27**	**1,029,869.91**	**647,151.84**	**232,276.89**	**879,428.73**	**543,128.10**	**229,437.79**	**772,565.89**
LIABILITIES AND EQUITY									
LIABILITIES									
Financial liabilities									
Payables						-			-
(I) Trade payables						-			-
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	526.46	-	526.46	951.40	-	951.40	165.19	-	165.19
(II) Other payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	378.29	-	378.29	138.05	-	138.05	191.54	-	191.54
Debt securities	178,690.57	119,087.11	297,777.68	99,055.76	64,841.73	163,897.49	105,052.47	90,524.42	195,576.89
Borrowings (Other than Debt Securities)	549,826.27	-	549,826.27	551,218.29	2,520.97	553,739.26	438,710.44	12,156.26	450,866.70
Subordinated Liabilities	-	20,239.09	20,239.09	-	20,237.25	20,237.25	245.33	19,990.00	20,235.33
Other Financial liabilities	207.69	-	207.69	292.15	-	292.15	306.84	-	306.84
Sub total	**729,629.28**	**139,326.20**	**868,955.48**	**651,655.65**	**87,599.95**	**739,255.60**	**544,671.81**	**122,670.68**	**667,342.49**
Non-Financial liabilities									
Current tax liabilities (Net)	1,651.85	-	1,651.85	1,598.22	-	1,598.22	1,208.13	-	1,208.13
Provisions	177.27	314.96	492.23	159.09	237.58	396.67	114.45	277.41	391.86
Other non-financial liabilities	1,310.30	-	1,310.30	393.40	-	393.40	148.10	-	148.10
Sub total	**3,139.42**	**314.96**	**3,454.38**	**2,150.71**	**237.58**	**2,388.29**	**1,470.68**	**277.41**	**1,748.09**
Total Liabilities	**732,768.70**	**139,641.16**	**872,409.86**	**653,806.36**	**87,837.53**	**741,643.89**	**546,142.49**	**122,948.09**	**669,090.58**

Schedules forming part of Balance Sheet and Profit and Loss Account

NOTE 41 LITIGATION

The Company does not have any pending litigations as at March 31st, 2019 and March 31st, 2018 which would impact its financial position.

NOTE 42 SEGMENT REPORTING

An operating segment is a component of the Group 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 are regularly reviewed by the Board of Directors, which have been identified as the Chief Operating Decision Maker ('CODM') of the Group inter-Company revenues and expenses, for which discrete financial information is available.

The Board ofDirectors, which have been identified as the CODM, regularly review the performance reports and make decisions about allocation of resources.

The Company has identified following reportable segments, performance reports of which is regularly reviewed by the Board of Directors.

Reportable segment

Loan against Securities and Structured Products

Commercial Real Estate

Margin Funding

Treasury and Other Investments

A. Information about reportable segments

Amount in lakhs

For the year ended March 31st, 2019	Reportable segments							
Particulars	**Loan against Securities and Structured Products**	**Commercial Real Estate**	**Margin Funding**	**Treasury and Other Investments**	**Total Segments**	**Unallocated**	**Adjustments and Eliminations**	**Total**
Revenue								
External revenue	43,225.40	36,089.72	12,233.44	58,569.64	150,118.20	-	-	150,118.20
Inter-segment revenue	-	-	-	-	-	-	(53,959.96)	(53,959.96)
Total Revenue	**43,225.40**	**36,089.72**	**12,233.44**	**58,569.65**	**150,118.21**	**-**	**(53,959.96)**	**96,158.24**
Segment results / Profit before Tax	13,176.87	13,227.51	3,364.95	2,008.17	31,777.50	(937.92)	-	30,839.58
Segment assets	**482,026.55**	**352,329.93**	**116,388.89**	**70,744.02**	**1,021,489.39**	**8,380.52**	**-**	**1,029,869.91**
Segment liabilities	**437.54**	**511.48**	**188.24**	**868,089.38**	**869,226.64**	**3,183.22**	**-**	**872,409.86**
Other disclosures								
Depreciation and amortization	42.17	35.99	3.03	6.81	88.00	-	-	88.00
Capital expenditure	82.83	132.70	2.75	-	218.28	-	-	218.28

Amount in lakhs

For the year ended March 31st, 2018	Reportable segments							
Particulars	**Loan against Securities and Structured Products**	**Commercial Real Estate**	**Margin Funding**	**Treasury and Other Investments**	**Total Segments**	**Unallocated**	**Adjustments and Eliminations**	**Total**
Revenue								
External revenue	35,985.15	34,807.45	9,601.79	59,349.98	139,744.37	9.09	-	139,753.46
Inter-segment revenue	-	-	-	-	-	-	(48,896.62)	(48,896.62)
Total Revenue	**35,985.15**	**34,807.45**	**9,601.79**	**59,349.98**	**139,744.37**	**9.09**	**(48,896.62)**	**90,856.84**
Segment results / Profit before Tax	10,868.06	16,632.18	3,477.46	6,187.95	37,165.65	(450.35)	-	36,715.30
Segment assets	410,436.69	289,678.77	113,387.33	56,273.96	869,776.75	9,651.98	-	879,428.73
Segment liabilities	38.31	524.60	461.86	736,772.74	737,797.51	3,846.38	-	741,643.89
Other disclosures								
Depreciation and amortization	27.01	34.27	3.37	5.92	70.57	-	-	70.57
Capital expenditure	2.47	27.00	-	-	29.47	-	-	29.47

Schedules forming part of Balance Sheet and Profit and Loss Account

D. INFORMATION ABOUT MAJOR CUSTOMERS

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company's total revenue in year ended March 31st, 2019 or March 31st, 2018.

NOTE 43 INTEREST IN ASSOCIATE AND JOINT VENTURE

Below are associates and joint ventures of the Group

Sr. No.	Name of entity	Relationship (Associate/ Joint Venture)	Principal place of business	Accounting Method	Ownership interest		
					As at March 31st, 2019	As at March 31st, 2018	As at April 01st, 2017
1	Phoenix ARC Private Limited	Associate	Mumbai	At Cost	30.00%	30.00%	30.00%
2	Matrix Business Services India Private Limited	Joint Venture	Chennai	At Cost	19.77%	19.77%	17.23%

NOTE 44 DISAGGREGATION OF REVENUE

The management determines that the segment information reported under Note 42 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

NOTE 45 LEASE DISCLOSURES

Operating Lease as Lessee:

Rent Payments to holding / fellow subsidiary company for sharing of premises are recognized in the Statement of Profit and Loss under the head 'Rent Expenses' Rs. 642.92 lakhs (Previous year. Rs. 613.93 lakhs).

NOTE 46 LONG TERM CONTRACTS

The Company has a process whereby periodically all long term contracts, if any are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses, if any on such long term contracts has been made in the books of accounts.

NOTE 47 SEBI DISCLOSURE

Initial Disclosure in terms of Para 4.1 of circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26 2018

Sr. No.	Particulars	Details
1	Name of the company	Kotak Mahindra Investments Limited
2	CIN	U65900MH1988PLC047986
3	Outstanding borrowing of company as on March 31st, 2019	Rs. 863,590.60 lakhs*
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	The company's NCDs are rated AAA by CRISIL.
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	-

The Company confirms that it is a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Schedules forming part of Balance Sheet and Profit and Loss Account

*** Numbers as per Previous GAAP. For numbers as per Ind AS Refer Note 12,13 & 14.**

48. CAPITAL

(Amount in lakhs)

	Particulars	As at March 31st, 2019	As at March 31st, 2018
i)	CRAR (%)	18.25%	18.59%
ii)	CRAR - Tier I Capital (%)	15.78%	15.86%
iii)	CRAR - Tier II Capital (%)	2.47%	2.74%
iv)	Amount of subordinated debt raised as Tier-II capital	20,239.09	20,237.25
v)	Amount raised by issue of Perpetual Debt Instruments	NIL	NIL

Note:

I. Post finalization of accounts for the year ended March 31st, 2018, the company received letter from RBI which required the company to include amounts placed in Fixed Deposit in Kotak Mahindra Bank in the amounts receivable from Group Companies. Accordingly the same has been considered for the purpose of computation of Net Owned Fund resulting in revision of CRAR to 18.59% from 18.94% as per the audited Financial Statement for the year March 31st, 2018.

II. The Company has adopted Indian Accounting Standards ("Ind AS") for the accounting period beginning on April 01st, 2018 with effective transition date April 1st, 2017 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as amended by The Companies (Indian Accounting Standard) Rules, 2016.

Capital Adequacy numbers as on March 31st, 2018 is not recomputed as per Ind AS and shown as per Previous GAAP.

49. INVESTMENTS

(Amount in lakhs)

Particulars				As at March 31st, 2019	As at March 31st, 2018
1	Value of Investments				
	(i)	Gross Value of Investments		101,327.12	78,353.97
		(a)	In India	101,327.12	78,353.97
		(b)	Outside India,	0.00	0.00
	(ii)	Provisions for Depreciation		378.19	0.00
		(a)	In India	378.19	0.00
		(b)	Outside India,	0.00	0.00
	(iii)	Net Value of Investments		100,948.93	78,353.97
		(a)	In India	100,948.93	78,353.97
		(b)	Outside India.	0.00	0.00
			Movement of provisions held towards depreciation on investments	0.00	0.00
2	(i)		Opening balance	0.00	0.00
	(ii)		Add : Provisions made during the year	378.19	0.00
	(iii)		Less : Write-off / write-back of excess provisions during the year	0.00	0.00
	(iv)		Closing balance	378.19	0.00

Note:
During the year ended March 31st, 2019 Company has written off Investment in equity Shares of 'TAIB Capital Corporation Limited' and 'Elbee Express Private Limited'. Fair value of both the investment in books of accounts was recorded at NIL.

Schedules forming part of Balance Sheet and Profit and Loss Account

50. DERIVATIVES

i. Forward Rate Agreement / Interest Rate Swap

(Amount in lakhs)

	Particulars	As at March 31st, 2019	As at March 31st, 2018
i)	The notional principal of swap agreements	NIL	NIL
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii)	Collateral required by the NBFC upon entering into swaps	NIL	NIL
iv)	Concentration of credit risk arising from the swaps $	NIL	NIL
v)	The fair value of the swap book @	NIL	NIL

ii. Exchange Traded Interest Rate (IR) Derivatives

(Amount in lakhs)

	Particulars	As at March 31st, 2019	As at March 31st, 2018
i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	NIL	NIL
ii)	Notional principal amount of exchange traded IR derivatives outstanding	NIL	NIL
iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	N.A	N.A
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	N.A	N.A

iii. Disclosures on Risk Exposure in Derivatives

The Company did not have any open interest in derivative contracts during the current year.

Quantitative Disclosures

(Amount in lakhs)

Sr. No.	Particular	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	NIL	NIL
(ii)	Marked to Market Positions		
	a) Asset (+)	NIL	NIL
	b) Liability (-)	NIL	NIL
(iii)	Credit Exposure	NIL	NIL
(iv)	Unhedged Exposures	NIL	NIL

51. DISCLOSURES RELATING TO SECURITISATION

i. Outstanding amount of securitized assets as per books of SPVs sponsored by NBFC and amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR).

Sr. No.	Particulars	No. / Amount in lakhs
1	No of SPVs sponsored by the NBFC for securitisation transactions*	NIL
2	Total amount of securitised assets as per books of the SPVs sponsored	NIL
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
	Off-balance sheet exposures	
	a) First loss	NIL
	Others	NIL
	On-balance sheet exposures	
	b) First loss	NIL
	Others	NIL
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	Exposure to own securitizations	
	i) First loss	NIL
	Others	NIL
	Exposure to third party securitisations	
	ii) First loss	NIL
	Others	NIL
	b) On-balance sheet exposures	
	Exposure to own securitisations	
	i) First loss	NIL
	Others	NIL
	Exposure to third party securitisations	
	ii) First loss	NIL
	Others	NIL

* Only the SPVs relating to outstanding securitisation transactions may be reported here

ii. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Amount in lakhs)

	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
i)	No. of accounts	NIL	NIL
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	NIL	NIL
iii)	Aggregate consideration	NIL	NIL
iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
v)	Aggregate gain / loss over net book value	NIL	NIL

Schedules forming part of Balance Sheet and Profit and Loss Account

iii. Details of Assignment transactions undertaken by NBFCs

(Amount in lakhs)

	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
i)	No. of accounts	NIL	NIL
ii)	Aggregate value (net of provisions) of accounts sold	NIL	NIL
iii)	Aggregate consideration	NIL	NIL
iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
v)	Aggregate gain / loss over net book value	NIL	NIL

iv. Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased :

(Amount in lakhs)

		Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
1	(a)	No. of accounts purchased during the year	NIL	NIL
	(b)	Aggregate outstanding	NIL	NIL
2	(a)	Of these, number of accounts restructured during the year	NIL	NIL
	(b)	Aggregate outstanding	NIL	NIL

B. Details of Non-performing Financial Assets sold :

(Amount in lakhs)

	Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
1	No. of accounts sold	NIL	NIL
2	Aggregate outstanding	NIL	NIL
3	Aggregate consideration received	NIL	NIL

52. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities :

As at March 31st, 2019

(Amount in lakhs)

	Up to 30 / 31 days	Over 1 month upto 2 Month	Over 2 months upto 3months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances	87,419.56	97,044.96	143,408.93	108,835.99	159,345.52	214,768.02	22,953.11	45,904.40	879,680.49
Investments	35,318.49	NIL	1,049.81	3,817.92	3,500.00	31,211.54	17,800.00	8,629.36	101,327.12
Borrowings*	101,742.26	86,842.52	69,172.66	177,421.32	294,213.15	113,519.53	5,494.15	19,437.45	867,843.04
Foreign Currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Schedules forming part of Balance Sheet and Profit and Loss Account

As at March 31st, 2018 (Amount in lakhs)

	Up to 30 / 31 days	Over 1 month upto 2 Month	Over 2 months upto 3months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances	75,761.19	52,686.70	166,125.08	120,496.13	133,252.15	174,584.13	24,987.74	15,923.76	763,816.88
Investments	48,715.46	NIL	17,344.12	NIL	NIL	60.19	NIL	12,234.20	78,353.97
Borrowings*	90,079.70	74,402.56	70,433.10	209,508.29	198,495.45	74,235.23	713.53	20,006.15	737,874.01
Foreign Currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Includes Borrowing from Banks of Rs. 25,942.63 lakhs (P.Y. Rs.35,058.95 lakhs)*

Note:

(i) In computing the above information, the management has made certain estimates, assumptions and adjustments which are also used for regulatory submission.

(ii) Adjustment on account of transition to Ind AS in particularly EIR adjustments, interest on NPA etc. from Previous GAAP have been adjusted in time bucket of Over 5 Years

53. EXPOSURES

A. Exposure to Real Estate Sector

(Amount in lakhs)

	Category	As at March 31st, 2019	As at March 31st, 2018
a)	Direct exposure		
	i. Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	NIL	NIL
	Ii Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	3,55,335.07**	2,80,099.82
	iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	NIL	NIL
	a. Residential,	NIL	NIL
	b. Commercial Real Estate.	NIL	NIL
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL
	Investment in Real Estate Venture Funds	NIL	NIL

***Includes Unsecured Loans to Real Estate Sector of Rs. 20,291.90 lakhs (Previous year. Rs. 9,596.36 lakhs)*

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Exposure to Capital Market

(Amount in lakhs)

	Particulars	As at March 31st, 2019	As at March 31st, 2018
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	15,363.40	6,836.88
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals / corporates for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	2,08,112.92	2,22,821.55
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,91,193.65	1,78,377.61
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	94.87
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
vii)	Bridge loans to companies against expected equity flows / issues;	NIL	NIL
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	48.40	6,023.22
Total Exposure to Capital Market		**5,14,718.37**	**4,14,154.13**

C. Financing of parent company products : The company has not financed any parent company products during the financial year.

D. Disclosure in respect of exposure where details of Single Borrower Limit (SGL) / Group Borrower Limt (GBL) has exceeded : The company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) in respect of exposures during the financial year.

E. Unsecured Advances :

The amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral – Rs. NIL

For other Unsecured Advances, Refer Note 5

54. REGISTRATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS : NIL

55. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS : NIL

56. RELATED PARTY TRANSACTIONS :

a. Details of all material transactions with the related parties : Refer note 34

b. Disclosure of Policy on dealing with Related Party transaction :

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like Directors and Key Managerial Personnel (KMP). The Directors and KMP's are also required to inform the Company of any changes to such declaration during the year. All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

As per section 188 of the Companies Act, 2013, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

Schedules forming part of Balance Sheet and Profit and Loss Account

57. RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR :

Rating Agency	Instrument	Rating	Effective Date	Valid Upto
CRISIL	Long Term Non-Convertible Debentures aggregating Rs.52 billion	CRISIL AAA/ stable	04-Mar-19	till date
CRISIL	Long Term Rating for Bank Loan Facilities aggregating Rs.15 billion	CRISIL AAA/ stable	08-Oct-18	till date
CRISIL	Long Term Rating for Subordinate Debt Issue aggregating Rs.2 billion	CRISIL AAA/ stable	25-Mar-19	till date
ICRA	Long Term Rating for Subordinate Debt Issue aggregating Rs.2 billion	ICRA AAA/ stable	05-Oct-18	till date
CRISIL	Commercial Paper Programme for Rs. 55.0 billion	CRISIL A1+	04-Mar-19	till date
CRISIL	Market Linked Debentures for Rs. 5.0 billion	CRISIL PP-MLD AAAr/Stable	25-Mar-19	till date
ICRA	Commercial Paper Programme for Rs. 55.0 billion	ICRA A1+	18-Feb-19	till date

58. REMUNERATION OF DIRECTORS : THE DETAILS OF TRANSACTION WITH NON-EXECUTIVE INDEPENDENT DIRECTORS ARE AS BELOW:-

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Directors' Sitting Fees	26.30	10.60
Commission to Directors	10.00	8.00

59. PROVISIONS AND CONTINGENCIES:

Break up of 'Provisions and Contingencies' (including write – offs; net of write-backs) shown under the head Expenditure in Statement of Profit and Loss

(Amount in lakhs)

Particulars	For the year ended March 31st, 2019	For the year ended March 31st, 2018
Provisions / (write back) for depreciation on Investment measured at FVOCI	(344.76)	14.04
Provisions / (write back) for depreciation on Investment measured at Amortised cost	378.19	NIL
Provision made towards Income tax (including Deferred Tax)	10,781.57	12,206.77
Other Provision and Contingencies (with details)	NIL	NIL
ECL on Stages I and 2 Loans	1,380.82	277.71
ECL on Stage 3 Loans	1,200.06	(156.48)

60. DRAW DOWN FROM RESERVES: THERE WAS NO DRAW DOWN FROM RESERVES DURING THE FINANCIAL YEAR.

61. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

A. Concentration of Deposits (for deposit taking NBFCs)

(Amount in lakhs)

Total Deposits of twenty largest depositors	N.A
Percentage of Deposits of twenty largest depositors to Total Deposits of the Company	N.A

Schedules forming part of Balance Sheet and Profit and Loss Account

B. Concentration of Advances

(Amount in lakhs)

Total Advances to twenty largest borrowers	3,16,868.71
Percentage of Advances to twenty largest borrowers to Total (Gross) Advances of the company	34.08%

C. Concentration of Exposures**

(Amount in lakhs)

Total Exposure to twenty largest borrowers / customers	3,25,454.90
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	24.98%

*** Exposures in this case refer to outstanding and limit available for drawdown. It may be noted that available limits are unconditionally cancellable at any time by the company without prior notice.*

D. Concentration of NPAs*

(Amount in lakhs)

Total Exposure to top four NPA accounts	3895.47

E. Sector-wise NPAs*

(Amount in lakhs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector**
1	Agriculture & allied activities	-
2	MSME	-
3	Corporate borrowers	0.58%
4	Services	-
5	Unsecured personal loans	-
6	Auto loans	-
7	Other personal loans	0.19%

**The amounts disclosed are of Stage III financial assets.*

*** represents Gross NPA to Gross Advances for respective sectors*

F. Movement of NPAs*

(Amount in Rs. lakhs)

	Particulars	2018-19	2017-18
i)	Net NPAs to Net Advances (%)	0.24%	0.11%
ii)	Movement of NPAs (Gross)		
	a) Opening balance	1,022.44	2,991.23
	b) Additions during the year	5,731.20	3,747.14
	c) Reductions during the year	(2,678.03)	(5,715.93)
	d) Closing balance	4,075.60	1,022.44
iii)	Movement of Net NPAs		
	a) Opening balance	842.91	2,788.30
	b) Additions during the year	5,659.00	3,741.94
	c) Reductions during the year	(4,295.98)	(5,687.33)
	d) Closing balance	2,205.93	842.91
iv)	Movement of ECL on NPA cases		
	a) Opening balance	179.53	202.93
	b) Provisions made during the year	1,696.32	175.16
	c) Write-off / write-back of excess provisions	(6.18)	(198.56)
	d) Closing balance	1,869.67	179.53

** Financial assets in Stage 3 as per Ind AS 109 are classified as considered for disclosure.*

Schedules forming part of Balance Sheet and Profit and Loss Account

G. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture / Subsidiary	Other Partner in the JV	Country	Total Assets
Not applicable			

H. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	**Overseas**
NIL	NIL

62. CUSTOMER COMPLAINTS

a)	No. of complaints pending at the beginning of the year	NIL
b)	No. of complaints received during the year	1
c)	No. of complaints redressed during the year	1
d)	No. of complaints pending at the end of the year	NIL

63. DISCLOSURES UNDER LISTING AGREEMENT FOR DEBT SECURITIES

Note	Particulars
63.1	**Disclosure under Regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**
	Debenture Trustees: IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Tel. : 022-40807050 Fax : 022-40807021 Email: jimit@idbitrustee.com Website: www.idbitrustee.com
63.2	**Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**
	Related Party transactions

	March 31st, 2019	March 31st, 2018
	Rs. in lakh	` in lakh
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan (Refer Related party disclosure Note 34)	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

63.3	**Disclosure under Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**		
	Asset cover		
	The Debentures are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's immovable property of Rs.10.26 lakhs (gross value) and further secured by way of hypothecation/mortgage of charged assets such as receivables arising out of loan, lease and hire purchase, book debts, current assets and investments (excluding strategic investments of the Company which are in the nature of equity shares) with an asset cover ratio of minimum 1.00 time value of the debentures during the tenure of the debentures.		

64. SCHEDULE IN TERMS OF PARAGRAPH 13 OF NON BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998.

(Amount in lakhs)

	Particulars			Amount Outstanding	Amount Overdue
	Liabilities Side				
1	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures:	Secured #	2,97,777.68	NIL
			Unsecured	20,239.09	NIL
			other than falling within the meaning of public deposits [Please see Note a) below]		
	(b)	Deferred Credits		NIL	NIL
	(c)	Terms Loans		-	NIL
	(d)	Inter-corporate loans and borrowing		43,885.51	NIL
	(e)	Commercial Paper		4,79,998.13	NIL
	(f)	Other Loans – Secured Overdraft facility from Bank		25,942.63	NIL

Secured by way of pledge of securities and/or mortgage of property and/ or hypothecation of receivables and/ or undertaking to create a security.

(Amount in lakhs)

	Assets Side				Amount Outstanding
2	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below:**				
	(a)	Secured			8,01,378.05
	(b)	Unsecured			78,302.44
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**				
	(i)	Leased Assets including lease rentals under sundry debtors			
		(a)	Financial Lease		NIL
		(b)	Operating Lease		NIL
	(ii)	Stock on hire including hire charges under sundry debtors			
		(a)	Assets on hire		NIL
		(b)	Repossessed Assets		NIL
	(iii)	Other loans counting towards AFC activities			
		(a)	Loans where assets have been repossessed		NIL
		(b)	Loans other than (a) above		NIL

Schedules forming part of Balance Sheet and Profit and Loss Account

(Amount in lakhs)

	Assets Side	Amount Outstanding
4	**Break-up of Investments:**	
4.1	**Current Investments:**	
4.1.1	**Quoted:**	
	(i) Shares:	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	3,844.22
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
4.1.2	**Unquoted:**	
	(i) Shares:	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	35,317.69
	(iv) Government Securities	NIL
	(v) Others – Units of Venture Capital Fund	NIL
4.2	**Long Term Investments:**	
	4.2.1 Quoted:	
	(i) Shares:	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	4.2.2 Unquoted:	
	(i) Shares:	
	(a) Equity	6,351.87
	(b) Preference	3,993.90
	(ii) Debentures and Bonds	50,079.84
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others – Units of Venture Capital Fund	1739.60

5 Borrower group-wise classification of assets financed as in (2) and (3) above:

	Category	Amount Net of provisions		
		Secured	Unsecured	Total
5.1	**Related Parties ****			
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
5.2	**Other Than Related Parties**	7,96,318.27	77,892.00	8,74,210.27
	Total	**7,96,318.27**	**77,892.00**	**8,74,210.27**

Schedules forming part of Balance Sheet and Profit and Loss Account

6 Investor group-wise classification of all investments (current and long term) in the shares and securities (both quoted and unquoted): Please see Note b below)

Amount in lakhs

	Category	Amount Net of provisions	
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6.1	Related Parties **		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	6,286.00	6,286.00
	(c) Other related parties	NIL	NIL
6.2	Other than related Parties	95,041.12	94,662.93
	Total	**1,01,327.12**	**1,00,948.93**

** As per Ind AS (Please see Note 34)

(7) Other information

	Particulars	Amount in lakhs
7.1	Gross Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	4,075.60
7.2	Net Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	2,205.93
7.3	Assets acquired in satisfaction of debt	NIL

Notes:

a) As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

b) Fair value is of Investment is arrived at in line with guidance provided in Ind AS.

Previous year's figures have been regrouped / reclassified wherever necessary to conform to figures of the current period.

As per our attached report of even date

For and on behalf of the Board of Director
Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sharad Vasant
Partner
Membership No. 101119

K.V.S Manian
Director
DIN : 00031794

Paritosh Kashyap
Director
DIN : 07656300

Amit Bagri
Chief Executive Officer

Deepak Goel
Chief Financial Officer

Jignesh Dave
Company Secretary

Place: Mumbai
Date: May 15, 2019

Place : Mumbai
Date: May 14, 2019

Kotak Mahindra Bank Limited, 27BKC,
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