Never normal

# IVY Product Intermediaries Limited

## Annual Report 2020-21

# Contents

# Directors' Report

To the Members

**IVY PRODUCT INTERMEDIARIES LIMITED**

Your Directors have pleasure in presenting the Thirty Fourth Annual Report of IVY Product Intermediaries Limited ("Company") together with the Audited Financial Statements for the financial year ended 31st March, 2021. The Financial Statements have been prepared in accordance with Indian Accounting standards (Ind AS) under historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair value.

## FINANCIAL HIGHLIGHTS

(₹ in Lakh)

| Particulars | Financial Year ended 31st March, 2021 | Financial Year ended 31st March, 2020 |
|---|---|---|
| Gross Income | 35.26 | 40.00 |
| Profit before Depreciation and Tax | 32.34 | 36.56 |
| Depreciation | - | - |
| Profit before Tax | 32.34 | 36.56 |
| Provision for Tax | 19.92 | 10.10 |
| Profit after Tax | 12.42 | 26.46 |
| Balance of Profit from previous years | 121.53 | 95.07 |
| Amount available for appropriation | 133.95 | 121.53 |
| Appropriations: | | |
| Proposed Dividend on Equity Shares | - | - |
| Corporate Dividend Tax | - | - |
| Surplus carried forward to the Balance Sheet | 133.95 | 121.53 |

## DIVIDEND

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

## OUTLOOK

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

## REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited (earlier known as Karvy Fintech Private Limited) continues to be the Registrar and Share Transfer Agent for the shares of the Company.

## DIRECTORS

Mr. Chetan Desai (DIN: 03506544), Director of the Company, retires by rotation at the Thirty Fourth Annual General Meeting and being eligible has offered himself for re-appointment.

## NUMBER OF BOARD MEETINGS

During the year, five meetings of the Board of Directors of the Company were held on 30th April, 2020, 26th June, 2020, 27th July, 2020, 21st October, 2020 and 21st January, 2021.

## AUDITORS

The Members of the Company at its 33rd Annual General Meeting held on 10th August, 2020 had appointed Messrs. V. C. Shah & Co., Chartered Accountants, Mumbai (Firm Registration no.109818W) as the Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of the Thirty Third Annual General Meeting till the conclusion of the Thirty Eighth Annual General Meeting of the Company at such remuneration as may be decided by the Board of Directors of the Company from time to time.

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

All Related Party Transactions as required under Ind AS 24 are reported in Notes to Accounts under Note no. 18.

## COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the FY 2020 --2021.

## PARTICULARS OF LOAN GUARANTEES OR INVESTMENTS

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

## EMPLOYEES

Your Company did not have any employee as on 31st March, 2021. Accordingly, there are no employees whose particulars are required to be furnished under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, the disclosure under Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable.

## DEPOSIT

Your Company did not accept any deposits from the public during the year. Also there are no deposits due and outstanding as on 31st March, 2021.

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

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

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

## REPORTING OF FRAUDS BY AUDITORS

During the financial year under review, no instances of fraud committed against the Company were reported by the Statutory Auditors of the Company, under Section 143(12) of the Companies Act, 2013 to the Board of Directors of the Company.

## 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, 2021and of the profit of the Company for the financial year ended 31st March, 2021;

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.

## 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 for the financial year ended 31st March, 2021 has been prepared by the Company. The Annual Return of the Company can requested via email, by writing to the Director at chetan.desai@kotak.com.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

| | |
|---|---|
| **Chetan Desai** | **Himanshu Vasa** |
| Director | Director |
| DIN: 03506544 | DIN: 00286017 |

Place: Mumbai
Date: 15th June, 2021

# Independent Auditor's Report

To,

The Members of

**IVY Product Intermediaries Limited**

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying financial statements of **IVY Product Intermediaries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, cash flows and changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs), as 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 Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of aforesaid financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report; Our report expresses an unmodified opinion on an adequacy and operating effectiveness of the Company's internal financial controls over financial statement.

(g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not contracted to pay remuneration to its directors during the year.

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

i. The Company does not have any pending litigations as at 31st March, 2021 which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration No. 109818W

**Viral J. Shah**
Partner
Membership No.: 110120

Place: Mumbai
Date: 15th June, 2021
UDIN: 21110120AAAACG2449

# Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **IVY Product Intermediaries Limited** for the year ended 31st March, 2021)

(i) The Company does not have any Property, Plant & Equipment during the year ended 31st March, 2021. Accordingly, the provisions of clause 3(i) of the Order are not applicable to the Company.

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

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or security, in connection with any loan taken by the parties covered under Section 185 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) To the best of our knowledge and the according to the information and explanation provide to us, the Central Government has not prescribed the maintenance of cost record under section 148(1) of the Act in respect of the services rendered by the Company and hence reporting under clause 3 (vi) of the Order is not applicable to the Company.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Goods and Service Tax, Income-tax and other material statutory dues applicable to it to the appropriate authorities.

Having regard to the nature of the Company's business / activities, Provident Fund, Employees' State Insurance, Custom Duty and Excise Duty, are not applicable.

(b) There were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax, and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax or Goods and Service Tax and other material statutory dues as on 31st March, 2021 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures and hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not contracted to pay managerial remuneration in accordance with the provisions of the section 197 read with Schedule V of the Companies Act, 2013 and hence reporting under clause 3 (xi) of the Order is not applicable.

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with the provisions of Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3 (xiii) of the Order are not applicable to the Company.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Act are not applicable. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration No. 109818W

**Viral J. Shah**
Partner
Membership No.: 110120

Place: Mumbai
Date: 15th June, 2021
UDIN: 21110120AAAACG2449

# Annexure "B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **IVY Product Intermediaries Limited** for the year ended 31st March, 2021

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

We have audited the internal financial controls over financial reporting of **IVY PRODUCT INTERMEDIARIES LIMITED** ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021 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 **V. C. Shah & Co.**
Chartered Accountants
Firm Registration No. 109818W

**Viral J. Shah**
Partner
Membership No.: 110120

Place: Mumbai
Date: 15th June, 2021
UDIN: 21110120AAAACG2449

# Balance Sheet
as at 31st March, 2021

(₹ in thousands)

| Particulars | | | Notes | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| (a) | Financial Assets | | | | |
| | i. | Other non-current financial assets | 2 | - | 301 |
| (b) | Non current tax assets | | 3 | 373 | 373 |
| (c) | Deferred tax assets (Net) | | 4 | 3 | 3 |
| **Sub total** | | | | **376** | **677** |
| **Current Assets** | | | | | |
| (a) | Financial Assets | | | | |
| | (i) | Cash and cash equivalents | 5 | 59,530 | 58,097 |
| | (ii) | Other current financial assets | 6 | 402 | 493 |
| **Sub total** | | | | **59,932** | **58,590** |
| **Total Assets** | | | | **60,308** | **59,267** |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| (a) | Equity Share capital | | 7 | 22,113 | 22,113 |
| (b) | Other Equity | | 8 | 37,645 | 36,403 |
| **Sub total** | | | | **59,758** | **58,516** |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| (a) | Financial Liabilities | | | | |
| | (i) | Trade payables | | | |
| | | - Total outstanding dues of creditors other than micro enterprises and small enterprises | 9 | 56 | 307 |
| (b) | Current tax liabilities (Net) | | 10 | 494 | 444 |
| **Sub total** | | | | **550** | **751** |
| **Total Equity and Liabilities** | | | | **60,308** | **59,267** |
| Significant Accounting Policies & Notes on Accounts | | | 1-26 | | |

The notes referred to above form an integral part of the financial statements.
In terms of our report attached.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration Number: 109818W

**Viral J. Shah**
Partner
Membership Number: 110120

Place : Mumbai
Date : 15th June, 2021

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

**Himanshu Vasa**
Director
DIN:00286017

Place : Mumbai
Date : 15th June, 2021

**Chetan Desai**
Director
DIN:03506544

Place : Mumbai
Date : 15th June, 2021

# Statement of Profit and Loss Account

for the year ended 31st March, 2021

(₹ in thousands)

| | Particulars | Notes | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|---|
| | **REVENUE** | | | |
| I | Revenue from Operations | | - | - |
| II | Other Income | 11 | 3,526 | 4,000 |
| **III** | **Total Income (I+II)** | | **3,526** | **4,000** |
| **IV** | **EXPENSES** | | | |
| | Employee benefits expenses | 12 | 1 | 1 |
| | Other expenses | 13 | 291 | 343 |
| | **Total expenses (IV)** | | **292** | **344** |
| **V** | **Profit before tax (I-IV)** | | **3,234** | **3,656** |
| **VI** | **Tax expense** | 14 | | |
| | (1) Current tax | | 863 | 1,010 |
| | (2) Current tax pertaining to prior periods | | 1,129 | - |
| | (3) Deferred tax charge/(credit) | | 0 | - |
| | **Total tax expense (1+2+3)** | | **1,992** | **1,010** |
| **VII** | **Profit for the year (V-VI)** | | **1,242** | **2,646** |
| **VIII** | **Other comprehensive income** | | **-** | **-** |
| **IX** | **Total Comprehensive Income for the period (IX+X)** | | **1,242** | **2,646** |
| X | Earnings per equity share | 15 | | |
| | Basic (₹) | | 0.14 | 0.30 |
| | Diluted (₹) | | 0.14 | 0.30 |
| | Significant Accounting Policies & Notes on Accounts | 1 & 16-26 | | |

The notes referred to above form an integral part of the financial statements.
In terms of our report attached.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration Number: 109818W

**Viral J. Shah**
Partner
Membership Number: 110120

Place : Mumbai
Date : 15th June, 2021

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

**Himanshu Vasa**
Director
DIN:00286017

Place : Mumbai
Date : 15th June, 2021

**Chetan Desai**
Director
DIN:03506544

Place : Mumbai
Date : 15th June, 2021

# Cash Flow Statement

for the year ended 31st March, 2021

(₹ in thousands)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 3,234 | 3,656 |
| Adjustments: | | |
| (a) Provision for impairment | 0 | 1 |
| (b) Interest income | (3,526) | (4,000) |
| **Operating profit before working capital changes** | **(292)** | **(343)** |
| **Working capital changes** | | |
| (a) Increase / (decrease) in financial liabilities | (251) | (21) |
| (b) (Increase) /decrease in other non-current financial assets | 227 | - |
| **Cash generated from operations** | **(316)** | **(364)** |
| Income tax paid (net of refunds) | (1,943) | (661) |
| **Net cash flows (used in) operating activities (A)** | **(2,259)** | **(1,025)** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| (a) Placed/ maturity of Bank Deposits (having original maturity of more than 3 months) | (1,303) | (3,059) |
| (b) Interest received | 3,692 | 4,073 |
| **Net cash flows generated from investing activities (B)** | **2,389** | **1,014** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| **Net cash flows generated from financing activities (C)** | - | - |
| **Net increase in cash and cash equivalents (A+B+C)** | **130** | **(11)** |
| Cash and cash equivalents at the beginning of the year | 109 | 120 |
| **Cash and cash equivalents at the end of the year** | **239** | **109** |
| **Reconciliation of cash and cash equivalents with the balance sheet (refer note 5)** | | |
| Balances with banks in current account | 239 | 109 |
| Balance in fixed deposits with maturity period of less than 12 months | 59,303 | 48,249 |
| Balance in fixed deposits with maturity period of more than 12 months | - | 9,751 |
| Less: Impairment loss allowance | (12) | (12) |
| **Cash and cash equivalents as restated as at the year end** | **59,530** | **58,097** |

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

The notes referred to above form an integral part of the financial statements.
In terms of our report attached.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration Number: 109818W

**Viral J. Shah**
Partner
Membership Number: 110120

Place : Mumbai
Date : 15th June, 2021

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

**Himanshu Vasa**
Director
DIN:00286017

Place : Mumbai
Date : 15th June, 2021

**Chetan Desai**
Director
DIN:03506544

Place : Mumbai
Date : 15th June, 2021

# Statement of Changes in Equity

for the year ended 31st March, 2021

**A. Equity Share Capital**

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Balance at the beginning of the reporting period | 22,113 | 22,113 |
| Changes in equity share capital during the year | - | - |
| **Balance at the end of the reporting period** | **22,113** | **22,113** |

**B. Other equity**

(₹ in thousands)

| Particulars | Reserves and Surplus | | Total |
|---|---|---|---|
| | General reserve | Retained earnings | |
| **Balance as at 1 April, 2020** | **24,250** | **12,153** | **36,403** |
| Profit for the year | - | 1,242 | 1,242 |
| **Total Comprehensive Income for the year ended 31st March, 2021** | **-** | **1,242** | **1,242** |
| **Balance as at 31st March, 2021** | **24,250** | **13,395** | **37,645** |

In terms of our report attached.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration Number: 109818W

**Viral J. Shah**
Partner
Membership Number: 110120

Place : Mumbai
Date : 15th June, 2021

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

**Himanshu Vasa**
Director
DIN:00286017

Place : Mumbai
Date : 15th June, 2021

**Chetan Desai**
Director
DIN:03506544

Place : Mumbai
Date : 15th June, 2021

# Notes to the Financial Statement

for the year ended 31st March, 2021

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

**A. Corporate information**

IVY Product Intermediaries Limited ('the Company') is a 100% subsidiary of Kotak Mahindra Bank Limited ('the Bank'). The Company was incorporated on 04th February 1987 as a public limited company under the Companies Act, 1956 ('the Act') in the name of 'The Vysya Bank Leasing Limited'. In 2002, consequent to discontinuance of leasing business, the Company changed its name to 'Vysya Bank Financial Services Limited' with the object of carrying on business as brokers and agents for marketing and distribution of insurance products and mutual fund units on commission basis. Again in the year 2003, the Company changed its name to 'ING Vysya Financial Services Limited'. The Company which was a 100% subsidiary of ING Vysya Bank Ltd, become a 100% subsidiary of Kotak Mahindra Bank Limited consequent to the merger of ING Vysya Bank Limited with Kotak Mahindra Bank Limited, effective 01st April 2015 and the Company changed its name to 'IVY Product Intermediaries Limited' with effect from 18th April 2016. The Company is engaged in the business of non-fund / fee based activities of marketing and distribution of various financial products / services of the Bank.

**B. Basis of Preparation**

**Statement of compliance**

The Financial statements are prepared in accordance with the Indian Accounting Standards (Ind As) notified under Section 133 of the Companies Act, 2013 ( 'the Act') read with Companies ( Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements.

**a) Functional and presentation currency**

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

**b) Note on critical accounting judgements and key sources of estimation, uncertainty:**

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

Judgment, estimates and assumptions are required in particular for:

**I. Recognition of deferred tax assets**

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

**II. Business model assessment**

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

**III. Impairment of financial assets**

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

**C. Significant accounting policies**

**a) Revenue recognition of income**

Revenue is measured at the fair value of the consideration received or receivable. Interest income from a financial asset is recognised when it is probable the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time

# Notes to the Financial Statements

for the year ended 31st March, 2021

basis by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the excepted life of the financial asset to the asset's net carrying amount of initial recognition.

**b) Income Tax**

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

**Current tax**

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

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

**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.

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

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

Deferred tax assets and liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**c) Earnings per share**

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

**d) Impairment of non-financial assets**

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

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

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

**e) Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but disclosed in the notes.

# Notes to the Financial Statements

for the year ended 31st March, 2021

**f) Financial Instruments**

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

**Financial assets**

**Recognition and Initial measurement**

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

**Classification**

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

**Business model assessment**

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

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

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

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

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

**Subsequent measurement**

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

**Financial assets at amortised cost**

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

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

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

**Financial liabilities**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

**g) Impairment of Financial Assets**

**Methodology for computation of Expected Credit Losses (ECL)**

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

# Notes to the Financial Statements

for the year ended 31st March, 2021

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

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

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

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

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

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

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

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

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

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

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

- **Stage 1: 12 month ECL:**

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

- **Stage 2: Lifetime ECL (not credit impaired):**

  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

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

- **Stage 3: Lifetime ECL (credit impaired):**

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

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

**Method used to compute lifetime ECL:**

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

**Manner in which forward looking assumptions has been incorporated in ECL estimates:**

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

# Notes to the Financial Statements

for the year ended 31st March, 2021

**h) Write-offs**

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery.

**i) Measurement of fair values**

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

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

**j) Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company .Since, the Company has a single business segment and a single geographical segment, disclosures pertaining to the primary and secondary segments have not been presented.

**k) Cash and cash equivalents**

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

**l) Cash Flow Statement**

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

**m) Current versus non-current classification**

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

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

**n) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "Thousands" as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

# Notes to the Financial Statements

for the year ended 31st March, 2021

### NOTE 2 OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Financial asset carried at amortised cost | | |
| Security deposits | - | 227 |
| Interest Accrued on FD | - | 74 |
| Less: Impairment loss allowance | - | - |
| **Total** | **-** | **301** |

### NOTE 3 NON CURRENT TAX ASSETS

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Unsecured and considered good | | |
| Advance Income taxes (net of provision for Tax) | 373 | 373 |
| Unsecured and considered dobutful | | |
| Advance Income taxes (net of provision for Tax) | 4,152 | 4,152 |
| Less:Provision for Doubtful advance | (4,152) | (4,152) |
| **Total** | **373** | **373** |

### NOTE 4 DEFERRED TAX ASSETS (NET)

#### (a) Movement in deferred tax balances

(₹ in thousands)

| Particulars | 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | Net balance 31 Mar, 2020 | Recognised in profit or loss | Net | Deferred tax asset | Deferred tax liability |
| **Deferred tax asset/(liabilities)** | | | | | |
| Impairment on Bank Balances | 3 | (0) | 3 | 3 | - |
| **Total** | **3** | **(0)** | **3** | **3** | **-** |

(₹ in thousands)

| Particulars | 31st March, 2020 | | | | |
|---|---|---|---|---|---|
| | Net balance 31 Mar, 2020 | Recognised in profit or loss | Net | Deferred tax asset | Deferred tax liability |
| **Deferred tax asset/(liabilities)** | | | | | |
| Impairment on Bank Balances | 3 | 0 | 3 | 3 | - |
| **Total** | **3** | **0** | **3** | **3** | **-** |

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

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

# Notes to the Financial Statements

for the year ended 31st March, 2021

## NOTE 5 CASH AND CASH EQUIVALENTS

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Balances with banks in current account | 239 | 109 |
| Balance in fixed deposits with original maturity less than 3 months | - | - |
| Balance in fixed deposits with maturity period of less than 12 months | 59,303 | 48,249 |
| **Total cash and cash Equivalents** | **59,542** | **48,358** |
| Other Bank Balances | | |
| Balance in fixed deposits with maturity period of more than 12 months | - | 9,751 |
| **Total Other Bank Balances** | | **9,751** |
| Less: Impairment loss allowance | (12) | (12) |
| **Total** | **59,530** | **58,097** |

## NOTE 6 OTHER CURRENT ASSETS

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Interest accrued on Deposits with Maturity Less than 12 months | 402 | 493 |
| **Total** | **402** | **493** |

## NOTE 7 EQUITY SHARE CAPITAL

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Authorised** | | |
| 40,000,000 (1st April, 2020: 40,000,000) equity shares of ₹ 2.50 each with voting rights | 100,000 | 100,000 |
| **Issued, subscribed and paid up** | | |
| 8,845,100 (1st April, 2020: 8,845,100) equity shares of ₹ 2.50 each with voting rights | 22,113 | 22,113 |

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

| Particulars | No. of shares | Amount |
|---|---|---|
| **Equity shares of ₹ 2.50 each, fully paid-up** | | |
| As at 1st April, 2020 | 8,845,100 | 22,113 |
| Add/(less) : Movement during the year | - | |
| **As at 31 March, 2021** | **8,845,100** | **22,113** |

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

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

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

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| Kotak Mahindra Bank Limited | 8,845,100 | 100% | 8,845,100 | 100% |

# Notes to the Financial Statements

for the year ended 31st March, 2021

## NOTE 8 OTHER EQUITY

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| General Reserve | 24,250 | 24,250 |
| Retained Earnings | 13,395 | 12,153 |
| **Total** | **37,645** | **36,403** |

**a. Other equity movement**

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **General Reserves** | | |
| Opening balance | 24,250 | 24,250 |
| Addition during the year | - | - |
| **Closing balance** | **24,250** | **24,250** |
| **Retained Earnings** | | |
| Opening balance | 12,153 | 9,507 |
| Addition during the year | 1,242 | 2,646 |
| **Closing balance** | **13,395** | **12,153** |

## NOTE 9 TRADE PAYABLES

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Total outstanding to micro, small and medium enterprises | - | - |
| Total outstanding to others | 56 | 307 |
| **Total** | **56** | **307** |

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

## NOTE 10 CURRENT TAX LIABILITIES (NET)

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Provision for Income taxes (net of Advance Tax) | 494 | 444 |
| **Total** | **494** | **444** |

# Notes to the Financial Statements

for the year ended 31st March, 2021

## NOTE 11 OTHER INCOME

(₹ in thousands)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Interest income | 3,526 | 4,000 |
| **Total** | **3,526** | **4,000** |

## NOTE 12 EMPLOYEE BENEFITS EXPENSES

(₹ in thousands)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Contribution to provident and other funds | 1 | 1 |
| **Total** | **1** | **1** |

## NOTE 13 OTHER EXPENSES

(₹ in thousands)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Legal, professional and consultancy charges | 18 | 30 |
| Rates and taxes | - | 1 |
| Bank charges | 0 | 2 |
| Auditors Remuneration (Refer note 17 ) | 50 | 250 |
| Impairment on Bank balances | 0 | 1 |
| Miscellaneous expenses | 47 | 59 |
| Security Deposits written off ((Net of expense provision no longer required – ₹ 50 (Previous Year - ₹ NIL)) | 176 | - |
| **Total** | **291** | **343** |

## NOTE 14 TAX EXPENSE

### (a) Amounts recognised in profit and loss

(₹ in thousands)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| **Current tax expense** | | |
| Current period | 863 | 1,010 |
| Current tax pertaining to prior periods | 1,129 | - |
| **Total current tax expense (A)** | **1,992** | **1,010** |
| **Deferred income tax liability / (asset), net** | | |
| Origination and reversal of temporary differences | 0 | - |
| **Deferred tax expense (B)** | **0** | **-** |
| **Tax expense for the year (A)+(B)** | **1,992** | **1,010** |

# Notes to the Financial Statements

for the year ended 31st March, 2021

### (b) Reconciliation of effective tax rate

(₹ in thousands)

| Particulars | For the year ended 31st March, 2021 | | For the year ended 31st March, 2020 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| **Profit before tax** | 3234 | - | 3656 | |
| Tax using the Company's domestic tax rate (Current Year 25.17% , Previous Year 26%) | 814 | 25% | 951 | 26% |
| **Tax effect of:** | | | | |
| Tax effects of amounts which are not deductible for taxable income | 49 | 2% | 59 | 2% |
| **Effective Tax Rate** | **863** | **27%** | **1,010** | **28%** |
| Current tax pertaining to prior periods | 1129 | | - | |
| **Total income tax expenses** | **1,992** | | **1,010** | |

### NOTE 15 EARNINGS PER SHARE

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

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

| Sr. No. | Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| **A)** | Net profit attributable to equity holders | 1,242 | 2,646 |
| **B)** | **Profit attributable to equity holders of the Company adjusted for the effect of dilution** | **1,242** | **2,646** |
| **C)** | **Weighted average number of ordinary shares** | | |
| | Issued ordinary shares at the beginning of the year | 8,845 | 8,845 |
| | **Weighted average number of shares (in '000s) at the end of the year for basic EPS** | **8,845** | **8,845** |
| **D)** | **Weighted average number of shares adjusted for the effect of dilution** | **8,845** | **8,845** |
| **E)** | **Face value per share (₹)** | **2.50** | **2.50** |
| **F)** | **Basic earnings per share (₹)** | **0.14** | **0.30** |
| **G)** | **Diluted earnings per share (₹)** | **0.14** | **0.30** |

### NOTE 16 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

There are no contingent Liabilities as on 31st March, 2021

### NOTE 17 PAYMENT TO AUDITORS

| Sr. No. | Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|---|
| | **Payment to the auditor as:** | | |
| a) | Audit fees | 50 | 250 |
| | **Total** | **50** | **250** |

# Notes to the Financial Statements
for the year ended 31st March, 2021

## NOTE 18 RELATED PARTY DISCLOSURES

### i. Transactions with related parties

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

| Sr. No. | Particulars | Country of Incorporation | Proportion of ownership interest |
|---|---|---|---|
| | **Holding company:** | | |
| a) | Kotak Mahindra Bank Limited | India | 100% |
| | Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 26.02% of the equity share capital and 17.29% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31st March, 2021. | | |

(₹ in thousands)

| Nature of Transaction | Year ended 31st March | Holding Company | Total |
|---|---|---|---|
| Term Deposits Placed | 2021 | 59,705 | 59,705 |
| (Including Interest Accrued) | 2020 | 58,567 | 58,567 |
| | | | |
| Interest Income | 2021 | 3,526 | 3,526 |
| | 2020 | 4,000 | 4,000 |
| | | | |
| Bank balances | | | |
| | 2021 | 239 | 239 |
| | 2020 | 109 | 109 |

## NOTE 19 EMPLOYEE BENEFITS

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

**(i) Defined Contribution Plans:**

The Company has defined contribution plans in respect of provident fund and medical benefits under Employees State Insurance Corporation Act. Contribution to Employees Provident Fund amounted to ₹ 1.2 (Previous Year - ₹ 1.2 ) and contribution to Employees State Insurance Corporation amounted to ₹ Nil (Previous Year - ₹ Nil).

## NOTE 20 CAPITAL MANAGEMENT

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020.

# Notes to the Financial Statements
for the year ended 31st March, 2021

## NOTE 21 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

The fair values of financial assets and liabilities are included at the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a. Carrying values of financial assets i.e. cash and cash equivalents, trade receivables , others financial assets and of financial liabilities i.e.trade and other payables, working capital loan borrowing and other financial liabilities are reasonable approximations of their fair values due to the short maturities of these instruments.

b. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

However, the Company does not have material financial assets and financial liabilities carried at fair value through profit and loss ('FVTPL') and fair value through other comprehensive income. There are no material financial assets and liabilities that are required to be disclosed in level 1 and level 2.

During the period ending 31st March 2021 and 31st March 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Disclosures fair value measurement hierarchy for assets/liabilities as at 31st March 2021:

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Asset carried at amortised cost** | | |
| Cash and cash equivalents | 59,530 | 58,097 |
| Bank balance other than cash and cash equivalents | - | - |
| **Liabilities at amortised cost** | | |
| Trade payables | 56 | 307 |
| Other financial liabilities | - | - |

During the period ending 31st March 2021 and 31st March 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

**i. Financial risk management objectives and policies**

The Company's principal financial liabilities comprises trade payables. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**ii. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest rate risk.

**iii. Financial instruments valued at carrying value**

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

**iv. Foreign currency risk**

The Company's all transactions are in Indian Rupees and therefore there is no foreign currency risk.

**v. Foreign currency sensitivity**

Since the business of the Company doesn't involves any foreign currency transactions, hence there is no exposure to foreign currency changes.

**vi. Interest rate risk**

The Company is not exposed to interest rate risk because Company doesn't have any borrowing as on reporting date.

# Notes to the Financial Statements

for the year ended 31st March, 2021

**vii. Liquidity risk**

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional additional undrawn financing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | < 1 year | 1 to 5 years | Total | < 1 year | 1 to 5 years | Total |
| Trade payables | 56 | - | 56 | 257 | 50 | 307 |
| **Total** | **56** | **-** | **56** | **257** | **50** | **307** |

**viii. Credit risk**

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

(₹ in thousands)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Balances with banks in current account | 239 | 109 |
| Balance in fixed deposits with maturity period of less than 12 months | 59,303 | 48,249 |
| Balance in fixed deposits with maturity period of more than 12 months | - | 9,751 |
| Interest Accrued on Deposit | 402 | 493 |
| Interest Accrued on Deposit with maturity more than 12 months | - | 74 |
| **Total** | **59,944** | **58,677** |

**a. Credit quality analysis**

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

(₹ in thousands)

| Particulars | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Purchased credit impaired | Total |
| **Cash and cash Equivalents** | | | | | |
| Current | 59,542 | - | - | - | 59,542 |
| Past due 1–30 days | - | - | - | - | - |
| Past due 31–60 days | - | - | - | - | - |
| Past due 61–90 days | - | - | - | - | - |
| Past due 90 days | - | - | - | - | - |
| | 59,542 | - | - | - | 59,542 |
| Less: Impairment Allowance | (12) | - | - | - | (12) |
| Carrying amount | 59,530 | - | - | - | 59,530 |
| **Bank Balance (Other than cash and cash Equivalents)** | | | | | |
| Current | - | - | - | - | - |
| Past due 1–30 days | - | - | - | - | - |
| Past due 31–60 days | - | - | - | - | - |
| Past due 61–90 days | - | - | - | - | - |
| Past due 90 days | - | - | - | - | - |
| | - | - | - | - | - |
| Less: Impairment Allowance | - | - | - | - | - |
| Carrying amount | - | - | - | - | - |

# Notes to the Financial Statements

for the year ended 31st March, 2021

(₹ in thousands)

| Particulars | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Purchased credit impaired | Total |
| **Other current and non current financial assets** | | | | | |
| Current | 402 | - | - | - | 402 |
| Past due 1–30 days | - | - | - | - | - |
| Past due 31–60 days | - | - | - | - | - |
| Past due 61–90 days | - | - | - | - | - |
| Past due 90 days | - | - | - | - | - |
| | 402 | - | - | - | 402 |
| Less: Impairment Allowance | (0) | - | - | - | (0) |
| Carrying amount | 402 | - | - | - | 402 |

(₹ in thousands)

| Particulars | As at 31st March, 2020 | | | | |
|---|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Purchased credit impaired | Total |
| **Cash and cash Equivalents** | | | | | |
| Current | 58,109 | - | - | - | 58,109 |
| Past due 1–30 days | - | - | - | - | - |
| Past due 31–60 days | - | - | - | - | - |
| Past due 61–90 days | - | - | - | - | - |
| Past due 90 days | - | - | - | - | - |
| | 58,109 | - | - | - | 58,109 |
| Less: Impairment Allowance | (12) | - | - | - | (12) |
| Carrying amount | 58,097 | - | - | - | 58,097 |
| **Bank Balance (Other than cash and cash Equivalents)** | | | | | |
| Current | - | - | - | - | - |
| Past due 1–30 days | - | - | - | - | - |
| Past due 31–60 days | - | - | - | - | - |
| Past due 61–90 days | - | - | - | - | - |
| Past due 90 days | - | - | - | - | - |
| | - | - | - | - | - |
| Less: Impairment Allowance | - | - | - | - | - |
| Carrying amount | - | - | - | - | - |
| **Other current and non current financial assets** | | | | | |
| Current | 567 | - | - | - | 567 |
| Past due 1–30 days | - | - | - | - | - |
| Past due 31–60 days | - | - | - | - | - |
| Past due 61–90 days | - | - | - | - | - |
| Past due 90 days | - | - | - | - | - |
| | 567 | - | - | - | 567 |
| Less: Impairment Allowance | - | - | - | - | - |
| Carrying amount | 567 | - | - | - | 567 |

# Notes to the Financial Statements

for the year ended 31st March, 2021

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

**Inputs considered in the ECL model:**

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

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

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

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

**Assumption considered in the ECL model:**

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

**Forward looking information:**

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

**Assessment of significant increase in credit risk:**

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

**Definition of default:**

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

## NOTE 22 SEGMENT INFORMATION

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

## NOTE 23 TAX RATE

The Company has elected to exercise the option permitted under Section 115BAA of the Income-Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31st March, 2021.

# Notes to the Financial Statements

for the year ended 31st March, 2021

### NOTE 24 GOING CONCERN

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

### NOTE 25

There have been no events after the Balance Sheet date that require disclosure in these financial statements.

### NOTE 26

The Financial Statements have been reviewed and approved by the Board of Directors at its meeting held on 15th June, 2021.

For **V. C. Shah & Co.**
Chartered Accountants
Firm Registration Number: 109818W

**Viral J. Shah**
Partner
Membership Number: 110120

Place : Mumbai
Date : 15th June, 2021

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

**Himanshu Vasa**
Director
DIN:00286017

Place : Mumbai
Date : 15th June, 2021

**Chetan Desai**
Director
DIN:03506544

Place : Mumbai
Date : 15th June, 2021

IVY Product Intermediaries Limited
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Bandra (E), Mumbai - 400 051
Kotak Mahindra Bank Website: www.kotak.com

CIN: U85110MH1987PLC294572